



Assessing Organizational Performance

Self-help kit

**International Development
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Terms of Reference



TERMS OF REFERENCE – REGIONAL HEALTH INSTITUTIONS

The Terms of Reference (ToRs) presented below were drawn up for an evaluation of 5 Regional Health Institutions in the Caribbean. The assignment entailed an assessment of the effectiveness, efficiency, relevance and financial viability of the health institutions.

The general objectives of the TA project are:

- (a) To evaluate the performance and relevance of the five Regional Health Institutions (RHIs);
- (b) To determine the institutional framework and appropriate organizations through which technical cooperation in health at the regional level will be pursued; and
- (c) To assess the capacity of the CARICOM Secretariat to monitor, provide oversight and coordinate the operations of the RHIs.

The project seeks to **assess the effectiveness, efficiency, relevance and financial viability of the RHIs.**

The specific outputs of the project are:

- (i) A rationalization plan for executing regional level technical support to complement national health systems;
- (ii) A mechanism for the monitoring and coordination of activities of the recommended group of institutions.

It is expected that the implementation of the rationalization plan and the monitoring and coordination mechanism will contribute to a more efficient use of resources and the improvement of the delivery of health services and, as a consequence, enhancement of the health status of the population of the Caribbean, particularly the poor.

SCOPE OF WORK

The Consultants will perform all the investigative work and analyses to realize the objectives stated above and in consultation with CARICOM, and the Caribbean Development Bank agree on the work plan for undertaking the assignment. The Consultants shall conduct a thorough review of all documents, which set out the vision and policy framework for health in the region, prior reports relating to the RHIs, collect new data, inspect and analyze facilities and institutions. The Consultants shall analyse several alternatives from the technical, financial and economical standpoint and in the context of the health priority needs of CARICOM propose an option that will be effective, efficient, relevant and financially viable.



The Consultants shall perform the following specific tasks:

- (a) Review the Caribbean Health Study, University of the West Indies Scientific Report on “Health Sciences in the Caribbean in the New Millenium” and CCH I and II and other relevant documents including previous studies on the operations and performance of RHIs and Annual Reports and other publications of the RHIs;
- (b) Identify the range and scope of programmes and the type and volume of health related technical support services which each organization currently provides indicating areas of duplication and redundancy;
- (c) Identify the various stakeholders and the different types of users for the services provided and the nature of the services provided;
- (d) Assess the technical quality of the services provided; do the RHIs provide “value for money services”?
- (e) Consult with key stakeholders (These include *inter alia* Ministries of Health, and other government agencies; governing bodies; staff; in country donor representatives; donor headquarters; non-government organizations and medical and other health related associations; and client organizations.) to obtain their judgment on:
 - (i) The strengths and weaknesses of the various RHIs;
 - (ii) The extent to which the organizations satisfy stakeholders’ ongoing requirements for quality/quantity of goods and services;
 - (iii) The ability of the RHIs to respond to emerging competition, trends, technologies and other external forces;
 - (iv) The ability of the RHIs to exploit new market or revenue sources;
- (f) Assess the reach of RHIs in the various countries of the region;
- (g) Assess the quality of laboratory and other facilities;
- (h) Assess the technical and managerial competencies of the staff based on their curricula vitae and on evaluations, research reports and other reports to which they have made an identified contribution;
- (i) Assess the entrepreneurial and marketing ability of the organization - do the organizations readily provide training, testing and consulting services on a fee-for-service basis? Do the organizations have a well-developed marketing plan?
- (j) Assess the extent to which the institution collaborates with other organizations in the provision of services and the delivery of their mandates;
- (k) Determine the extent to which RHIs undertake strategic planning and self-assessment;
- (l) Determine the extent to which the organizations are fulfilling their purpose;



- (m) Estimate the cost(s) involved in delivering the various programmes and services provided by the RHIs;
- (n) Estimate staff cost as a percentage of total costs;
- (o) Assess efficiency in the delivery of those services and recommend strategies for improving the same;
- (p) Estimate the annual financial outlay in the delivery of the services provided by the TIs taking into consideration the percentage of the total budget utilised for administrative purposes;
- (q) Undertake a comparative analysis with similar institutions outside the Caribbean to gauge cost competitiveness;
- (r) Review the sources of financing and analyse the reasons for improvement/decline;
- (s) Analyze the effectiveness of existing arrangements concerning member states' quota contribution in light of the economic situation of those member states and the increasing demand on their limited resources;
- (t) Review organizational and reporting structure and assess their impact on the RHIs' capacity to function effectively;
- (u) Review the systems which the CARICOM Secretariat has in place for the supervision, monitoring and coordinating of activities of the RHIs and determine the effectiveness of these systems;
- (v) Assess the capacity of the CARICOM Secretariat to provide oversight and to monitor and coordinate the RHIs;
- (w) Determine the need for changes in methods of funding and identify alternative sources of financing e.g. external project funding and sale of services and make recommendations for a resource mobilization strategy; and
- (x) Identify options for improved financial management and sustainability.
- (y) Based on the findings from the tasks set out in this paragraph, determine the need for changes (e.g consolidation/rationalization) to enhance delivery of services and prepare a rationalization plan for RHIs. The rationalization plan should include: an appropriate institutional framework, an institutional strengthening programme that will address human resource capacity deficiencies and enable CARICOM to execute the recommended option for regional technical health support. Particular emphasis should be given to human resource capacity, training, monitoring and evaluation and coordination, proposals for funding the recommended option, enhancing financial management and other factors which will impact on the successful long-term operation of the recommended alternative. A budget and implementation plan should also be included. The proposal must reflect a vision of health development for the next fifteen years and the Caribbean Group for Cooperation and Economic Development Vision 2020.



OA Checklist



OA CHECKLISTS

Performance Assessment Questions

Effectiveness

How effective is the organization in moving towards its mission and goals?

- What are the performance components that are identified in the material from the organization that is being assessed? Look at:
 - mission statement
 - mandate
 - charter
 - goal statements
 - other (strategies, law, etc.)
- Are the components you found in the documents suitable to the normal role the organization is supposed to play?
- What are the indicators the organization uses to measure its performance? E.g. what are the quantitative and qualitative indicators associated with its mission statement, mandate, charter, other documents etc.?
- Is data available (evidence) that can be used to analyze the effectiveness of the organization? If so, profile the effectiveness.
- What are the bases for quantitative and qualitative judgments used by the organization (i.e. benchmarks, criteria, norms)?
- Are the bases for quantitative and qualitative judgments used by the organization accepted by key stakeholders?
- Are there priorities among the various effectiveness performance components? Are these used for creating policies and programs?



Efficiency

How efficient is the organization?

- Does the organization identify ways to assess its efficiency? (This is a set of ratios which would compare its inputs to various results.)
- What are the efficiency components? (e.g. cost per client, staff per client served, overhead to overall budget, cost per outputs, cost per outcomes, percentage of overall government budget, percentage of GDP, etc.).
- If the organization does not identify ways to assess its efficiency, can you identify such components?
- Are there adequate indicators and data available to assess the efficiency of the organization? If so, create a list of indicators. If not, what do you need?
- Are the efficiency components used by the organization standard for the industry or sector? Which are missing?
- Does the organization have benchmarks, norms or other criteria to assess efficiency in order to make judgments?
- Are there set priorities among the various efficiency performance components?

Relevance

Has the organization kept its relevance over time?

- Are the key stakeholders satisfied with the way the organization is performing?
- Are clients satisfied? funders? citizens? staff? business leaders? government officials? others?
- What are the key indicators used by the organization to monitor its performance? Are there adequate indicators and data to assess the relevance?
- Are the key stakeholders in agreement with the mission and strategy? (Do key stakeholders agree on the direction the organization is taking?)
- Do key stakeholders agree with new and/or proposed innovative programs and activities?
- Are there new technologies being introduced and accepted by the organization to meet stakeholder requirements?
- What are the organization's benchmarks, norms or criteria for judging relevance? If there are none, are there some that are reasonable to use?



Financial Viability

Is the organization financially viable?

- To what extent is the level of funding suitable for the mission and priorities of the organization?
- Has there been continued and sustained support from existing sources of revenue?
- Are there adequate funds to support existing programs, operating costs and capital requirements?
- What % of new funds is set aside for:
 - programs?
 - marketing?
 - investments?
- To what extent has the organization obtained the funds it requested?
- To what extent is the organization reliant on sources of revenue that are not stable?
- Over the last 3 years, to what extent has the organization spent more than it received?
- To what extent are infrastructure and equipment assets being adequately maintained and replaced?
- To what extent can the organization raise funds for:
 - operating?
 - development?
 - capital?
- What are the organization's financial priorities?
- How are the priorities determined?
- When are they determined? Periodically?
- What standards are used to guide the setting of financial priorities?
- If the organization does not have a means of assessing its financial viability, create a financial viability performance profile by:
 - creating a list of possible benchmarks
 - developing indicators
 - gathering data



Motivation Assessment Questions

History

What are the memorable events in the organization's history?

- the milestones?
- the successes?
- the crises?

How has the organizational history affected the performance of the organization?

Mission and vision

To what extent does a mission and vision drive the behaviour of the organization's members?

- Is there a clear mission and vision driving the behaviour of the organization's members?
- Are the organization's mission and vision congruent with the organization's goals and other key documents, thereby supporting aligned behaviour?
- Have the organization's members accepted the mission and vision, and do they feel that it is one to which they ascribe?
- Have the mission and vision been reviewed recently?
- Are the key values and beliefs driving the behaviour of the organization's members linked to the mission and vision?
- Does the new staff embody the mission and vision?

How are the mission and vision of the organization affecting its performance?

Culture

What aspects of the organization's culture move it towards fulfilling its mission?

- Are there documents that describe and assess the organizational values that managers use to manage?
- Do the people in the organization identify with the organizational values?
- Is the morale in the organization good?
- Is there a high commitment to performance in the organization?
- Is there a positive attitude towards teamwork in the organization?
- Is there a positive attitude towards change in the organization?



- Are there functioning systems in place that reinforce organizational values, such as promotions, incentives, or training?
- Are decisions made in a transparent way?
- Are there biases – positive or negative – towards specific groups in the organization (women, ethnic groups, etc.)
- Does the organization promote equity amongst the workforce in its policies and in practice?
- Does the organization value participation?
- Do the values and beliefs expressed by the actions of senior managers support organizational performance?
- Do the staff and managers live the mission and vision?

How does the culture affect organizational performance?

Incentive/Rewards

Does the incentive/reward system encourage or discourage the performance of the organization's members?

- Do people feel rewarded for their work?
- Are people adequately compensated?
- Do non-monetary rewards support good organizational behavior?
- Is the incentive system managed adequately?
- Is there an ongoing review of the incentive system?
- Is there equity in the way people are treated in the organization?
- Is there a consistency between what people are rewarded for and what the organization says it will reward?

How does the incentive/reward system affect performance?



Capacity Assessment Questions

In our model we consider eight capacities that can affect the performance of an organization: strategic leadership; structure; human resources management; financial management; infrastructure; programs and services; process management; inter-organizational linkages.

Capacity #1: Strategic Leadership

Leadership

To what extent does strategic leadership affect the organization's performance?

- Do people feel goal-oriented?
- Is leadership distributed appropriately?
- Is leadership concerned about getting significant activities done well?
- Is the organization appropriately linked externally?
- Is leadership respected?
- Are staff willing to take on leadership activities?
- Are people willing to express new ideas to those in positions of power?
- Do the board and management work well together?
- Is the organization's place amongst "peer organizations" seen as important?
- Is leadership effective in acquiring and protecting resources?
- Does leadership practice participatory management?
- Is leadership flexible?
- Does leadership welcome change?

Strategic Planning

To what extent does strategic planning affect the organization's ability to achieve its goals?

- Is there a strategic plan?
- Is the strategy known by the board, senior managers, and staff?
- Is the strategy generally accepted and supported in the organization?
- Has the strategy helped clarify priorities, thus giving the organization a way to assess its performance?
- Is the strategy used as a way of helping to make decisions?
- Does the strategy improve performance?
- Does the strategy support equity?
- Does the strategy help the organization to use resources effectively?



- Is there a process for clarifying and revising the organization's mission and beliefs, for working on its goals, and for understanding its clients and users?
- Is there a process for scanning the environment in order to consider potential threats and opportunities?
- Does the organizational strategy help identify the opportunities and constraints regarding financial resources and infrastructure?
- Is there a process for monitoring the application of the strategy?
- Is there a similar process for understanding client and stakeholder requirements and changes?
- Is there a process for ongoing review and update of the organization's strategy to reflect the realities in the organization and its environment?

Niche Management

Is the organization's understanding and management of its niche affecting organizational performance?

- Is the organization's role or area of specialization understood by its constituents (stakeholders)?
- Is the role of the organization clearly defined in its mission?
- Are the areas of specialization clear?
- Are the areas of specialization supported by stakeholders?
- Do the areas of specialization integrate gender concerns?
- Does research and development occur to strengthen the unique role of the organization?

Capacity #2: Structure

Operational Structure

Is the organizational structure facilitating or hindering movement towards the mission and goals?

- Are the organization's mission and goals supported by its structures?
- Are the roles within the organization clearly defined, yet flexible enough to adapt to changing needs?
- Are departmental lines or divisions between groups crossed easily, particularly in cases when collaboration means an improved product, program or service?
- Is structural authority used to further issues of equity?
- Do staff have linkages with/access to other units in the organization important to their work?
- Are there coordinating mechanisms facilitating access to other units within the organization?
- Can staff create important coordinating units with ease?
- Are efficient means for coordinating staff and units encouraged?
- Are there clear lines of accountability (individual, group, and organizational)?



- Do people have the authority to set agendas that support accountability?
- Are there efficiently functioning work groups?
- Is decision-making sufficiently de-centralized to promote productivity and good morale?
- Does the structure relating to responsibility for performance make organizational sense and facilitate work?

Governance

To what extent does governance affect the organization's performance?

- Does the governing structure both clarify and support organizational direction?
- Does the charter provide an adequate framework for carrying out the mission of the organization and for dealing adequately with the external forces challenging the organization?
- Does the governing body scan the external and internal environment in order to understand the forces affecting the organization?
- Does the governing body respond appropriately to important environmental trends and influences, be these social, political, or economic? For instance, are both quality and equality issues reflected in the minutes and discussions? Does the governing body support principles of equity?
- Does the governing body operate effectively and efficiently?
- Is there a discrepancy between the charter and senior management's view regarding the mission and mandate of the organization?

Capacity #3: Human Resources Management

Human Resources Planning

To what extent does the organization's ability to plan for its human resources needs affect its performance?

- Are the right people in the right jobs in the organization?
- Does the organization have the ability to forecast current and future demands for human resources?
- Does the organization know how and where to identify people with the skills needed to fill its needs?
- Is the organization able to link its mission and goals to its human resource planning?
- Does the organization have a personnel policy manual and does it follow it?

Staffing

To what extent does the organization have adequate staffing procedures to ensure its performance?

- Is there a staffing system in the organization?



- Does the organization have appropriate job descriptions or equivalents to determine what it is staffing for?
- Does the organization have an appropriate system for selecting candidates (for example: reviewing curriculum vitae, conducting interviews, checking references, competitive panels)?
- Are individuals in charge of selection appropriately trained to carry out this function (interview and listening skills, politeness, good judgment)?
- Do the recruitment and selection materials (ads, posting, interview questions) allow the organization to recruit the best people from all available labour pools?
- Does the organization have an orientation program for new staff that discusses day-to-day function, as well as overall mission and goals of the organization?

Developing Human Resources

To what extent does the organization have appropriate human resources development systems and approaches to ensure its performance?

- Does the organization have a training and development policy as well as a budget for training?
- Does the organization encourage staff to continue to learn and develop (by providing incentives for learning, by supporting training costs, etc.)?
- Is someone in the organization able to identify training needs?
- Does the organization support application/ transfer of new learning on the job?
- Is training demand driven (responds to needs in the organization) as opposed to supply driven (responds to whatever is being offered by a training unit, on the market or by a donor)?
- Can and does the organization assess training and its effect on the organization's performance?
- Does the organization have plans for mentoring younger staff in their careers?
- Do people see career opportunities in the organization?
- In spite of top management changes (retirement, rationalization, etc.) is the organization able to maintain its performance?

Assessment and Reward

To what extent does the organization have appropriate assessment and reward systems that are fair and motivating?

- Does the organization have a compensation policy that complies with the rules and regulations of the country?
- Does the staff see an adequate correlation between compensation and performance?
- Is the staff generally satisfied with its compensation?
- Are compensation packages externally competitive for the sector?
- Is there internal equity on salaries and benefits (i.e. equal compensation for work of equal value)?
- Are compensation differentials appropriate to motivate staff?



- Does the organization motivate staff with both monetary and non-monetary rewards?
- Is there equitable access to promotion and reward (i.e. regardless of race, gender, ethnic or religious group)?

Human Resources Relations

To what extent does the organization have effective human resources relations?

- Are there appropriate grievance procedures inside the organization?
- Are labour management relations constructive?
- Are there measures and procedures inside the organization to deal with people in emotional or physical distress?
- Does the organization seek ways to increase the loyalty and the commitment of staff?
- Is the morale in the organization generally good?
- Does the organization have measures in place to deal with harassment in the workplace?
- Does the organization have, if appropriate, an occupational health and safety policy?
- Are work-related accidents rare?

Given your experience, are there other human resources management issues that could affect performance? Please list.

Capacity #4: Financial Management

Financial Planning

In the organization, is there adequate financial planning being undertaken to support performance?

- Is there adequate budgetary planning?
- Are budget plans timely?
- Are budget plans updated as financial information comes in?
- Are members of the governing body involved in financial planning and monitoring?
- Are human resources adequate to ensure good financial planning?
- Are the finances of grants or loans properly managed?
- Are budget comparisons (actual to planned) monitored and analyzed for decision-making?



- Are capital and equipment forecasts made appropriately?
- Are reports provided to senior managers, the Board, and funders on a regular basis (at least once a quarter)?
- Is financial information given in a timely fashion to those who need it?

Financial Accountability

Is the organization sufficiently financially accountable?

- Are the auditors of the organization satisfied with the controls of cash and assets being utilized by the financial managers?
- Is there a clearly stated year-end date?
- Does the Board review financial statements on a regular basis?
- Are there competent staff and Board members who can interpret financial information?
- Is financial information contextualized within a strategic or business plan?
- Is there a Board committee to oversee financial issues?

Financial Statements and Systems

In the organization, are financial statements and systems appropriate to support performance?

- Is there an adequate bookkeeping system?
- Is there adequate staff to record financial information?
- Are balance sheets and income and expense statements prepared at least quarterly?
- Is there a procedure to control and record the assets of the organization?
- Are cash flow statements prepared?
- Is cash managed so that the organization can benefit when there is surplus and minimize the cost of cash shortages?

Given your experience, are there additional financial management issues that could affect organizational performance? Please list.



Capacity #5: Infrastructure

Facilities

Is the facilities infrastructure adequate to support performance?

- Does the organizational strategy identify the opportunities and constraints regarding infrastructure?
- Are the buildings and services (e.g. water, electricity) at the administrative center adequate to support and facilitate daily work?
- Is there an adequate transportation system to and from work for employees?
- Are communications systems (hardware) functioning at the level required?
- Are there adequate maintenance systems and procedures supported by an ongoing maintenance budget?
- Is the infrastructure, including building and equipment maintenance, being managed effectively and efficiently?
- Is there an individual or a group responsible for adequate planning to address ongoing infrastructure concerns?

Technology Resources

To what extent do technology resources affect the organization's performance?

- Is there adequate technological planning?
- Overall, is the organization's level of technology appropriate to carry out its functions?
- Is there no one unit seriously lagging behind the others in the level of technology needed to carry out its work?
- Is access to international information provided to all units through library and information management systems?
- Are there adequate systems and training in place for managing the organizational technology?
- Are there adequate information technologies in place to manage the organization?

Given your experience, are there additional infrastructure issues that can affect performance? Please list.



Capacity #6: Program and Services Management

Program and Services Planning

To what extent does the organization plan its programs and services appropriately?

- Is there a written plan for each program and services area and each major project?
- Are program, services and project plans linked to the organizational mission?
- Are there adequate program and services planning and budget programming activities to ensure that programs support the mission?
- Are the programs, services and projects consistent with the mission, needs, strategies and priorities of the organization?
- Does program and services planning take into account technological, economic, gender, social and environmental aspects to ensure applicability of programs and services?
- Are there adequate timelines?
- Are there adequate budgets?
- Is there an adequate analysis of roles and responsibilities?
- Is there a procedure outlined to monitor results?



Program and Services Implementation

To what extent does the organization implement its programs and services appropriately?

- Is there support for staff getting programs and services accomplished, and products and services to clients/beneficiaries?
- Are there good relationships among the staff that provide products and services?
- Do staff work together to provide good products and services?
- Does the program and services team have good problem-solving skills?
- Are health and safety for staff and clients always a priority in implementation?
- Are resources used efficiently to provide the product or service?
- Are schedules adhered to in a reasonable fashion?
- Is the staff motivated to work together to get things done?

Program and Services Monitoring and Evaluation

To what extent does the organization monitor its program and services appropriately?

- Are there monitoring and evaluation systems in place?
- Are program and services staff given feedback on program and services performance?
- Are there adequate opportunities to clarify roles and responsibilities?
- Are there adequate opportunities to review program and services indicators to measure progress against plans?
- Are timelines monitored to reduce overruns?
- Are budgets reviewed in a timely fashion?
- Are programs and services reviewed on a regular basis with respect to how they contribute to the overall organizational strategy?
- Are lessons encouraged?
- Are corrective actions taken when difficulties arise?
- Are monitoring and evaluation seen as ongoing and normal processes?

Given your experience, are there other program and services issues that can affect performance? Please list.



Capacity #7: Process Management

Planning

To what extent does the planning process contribute to the organization's performance?

- Are planning, policy and procedure development occurring in the organization at all levels, from the governing board to departments and individual projects?
- Does the process of planning contribute to the strategic direction of the organization?
- Are plans clear and do they provide adequate direction to organizational members?
- Are plans, policies and procedures generally followed?
- Is planning part of the organizational culture?
- Do organizational members feel involved in planning?
- Is planning linked to monitoring and evaluation?

Problem-solving and decision-making

Are the problem-solving and decision-making processes supporting the organization's capacity to carry out its functions?

- Is the implementation of work at various levels of the organization smooth-flowing?
- Are decisions made in a timely manner?
- Are performance gaps and opportunities identified in sufficient time to resolve them, and to the benefit of the individuals involved and the productivity of the organization?
- Are there problem-solving and decision-making mechanisms in place?
- Are there adequate organizational problem-solving and decision-making skills on the governing board and within the ranks of senior managers?
- Are problem-solving and decision-making adequate in departments and for important projects?
- Do the staff feel empowered by the problem-solving and decision-making processes?
- Does the staff try to solve problems and avoid disasters?



Communication

Is the communication system effective in supporting performance?

- Do people in the organization feel there is adequate, ongoing communication about the organization's activities?
- Do staff members receive information related to the organization's mission and about progress in fulfilling the mission?
- Does Information circulating in the organization about activities rarely become distorted?
- Are there corrective mechanisms to remedy rumors?
- Do people have easy access to those in the organization with whom they must deal, and can they easily communicate with them?
- Is there adequate written communication?
- Are meetings viewed as productive ways of communicating?
- Is technological communication used adequately?
- Is two-way communication encouraged?
- Is multi-channel communication used often?
- Is listening valued?
- Is cultural diversity considered when communicating?

Given your experience, are there other process management issues that can affect performance? Please give specific examples:

Organizational Monitoring and Evaluation

Is adequate organizational monitoring and evaluation occurring to improve performance?

- Are there policies and procedures that guide evaluation and monitoring?
- Are resources assigned to monitoring and evaluation?
- Are monitoring and evaluation valued at all levels in the organization as ways to learn and to improve performance?
- Is data obtained and used to monitor and evaluate the organization's units and activities?



- Is data gathered through organizational monitoring and evaluation activities utilized?
- Do evaluation plans or performance monitoring frameworks exist?
- Are evaluation results mentioned in strategy, program and services, policy and budgetary documents?
- Do people have the skills to monitor and evaluate?
- Are monitoring and evaluation valued processes?
- Are lessons learned from monitoring and evaluation, and do changes occur as a result?

Capacity #8: Inter-organizational Linkages

Networks, Partnerships, Coalitions

Are external linkages adequately established or pursued to support performance?

- Does the organization have adequate formal and informal linkages with like-minded organizations?
- Are organizational linkages adequately supported?
- Do organizational linkages contribute to the organizational goals and mission in an efficient way?
- Are there fruitful, ongoing partnerships with external organizations that bring new ideas and/or resources to the organization?
- Is the organization communicating information about its work to external stakeholders, including the general public?

Electronic Linkages

Are external technological linkages adequately established or pursued to support the organization's performance?

- Is the organization linked electronically to the external world of colleagues, clients, markets (users) such that these relationships are active and beneficial?
- Are electronic networks supported financially and technically?
- Do electronic networks effectively respond to the needs, shared interests, and capabilities of the organization?
- Are electronic networks supporting new efficient practices?
- Are there fruitful, ongoing partnerships with external organizations that bring new ideas and/or resources to the organization?
- Is the organization communicating information about its work to external stakeholders, including the general public?



Given your experience, are there other inter-organizational issues that can affect performance? Please give examples.

What else should/could these lists contain to help you conduct an organizational capacity assessment, or to help you write Terms of Reference for an external consultant to conduct a capacity assessment?



Environment Assessment Questions

Administrative/Legal Environment

How is the organization affected by the administrative/legal environment?

Administrative

- Has the organization identified other institutions/organizations/groups to which it relates or might be expected to relate?
- Has the organization been identified as influential / important to the sector by consumers, policy makers, suppliers, competitors and by other organizations in its external environment?
- Are the organization's objectives complementary to those of other organizations?
- Do the norms and values of the organization support the work that it intends to carry out?
- Are there useful (formal & informal) conflict resolution systems?
- Is the organization affected by bureaucracy (red tape)?

Legal

- Has the organization clearly defined the role played by its legal framework?
- Does the legal framework support the organization's autonomy?
- Is the organization's legal framework clear?
- Is the legal framework consistent with current practice?
- Is the legal regulatory context conducive to work?
- Is relevant legislation up to date?
- Is the judicial system responsive?
- Is the organization affected by: labour legislation? a regulatory framework? environmental laws? a public service Commission? public sector reform? global and regional agreements and standards?



Political Environment

How is the organization affected by the political environment?

- Do the political-ideological trends of the government support the kind of work the organization does?
- Does the government system facilitate collaborative arrangements?
- Does the organization have a role to play in national or sector development?
- How motivated is the organization to play its role in national or sector development?
- Does the organization have access to government funding?
- Does the organization have access to international funding?
- Does the organization have access to government knowledge and publications?
- Are there government policies and programs supporting the organization?
- What form of government is involved in the organization's internal affairs?
- What is the government's level of involvement in the organization's internal affairs?
- What effect do international relations have on the organization?
- How much does the government allow civil society to participate in its decision-making process?
- What is the level of political stability?
- How tolerant is the government of risk and the ability to manage change?
- How do political groups apply pressure to the government to affect policy and priorities?
- To what extent is the organization affected by political corruption, violence, or strikes?
- How responsive is the government system to the organization's needs and issues?



Social/Cultural Environment

How is the organization affected by the social/cultural environment?

- Does the organization take into account the effect of culture on program complexity?
- Do the values found in the social/cultural environment support the work of the organization?
- Does the organization have access to a pool of capable human resources from which it can recruit staff?
- Is the organization affected by:
 - Religious / ethnic / gender / class customs and biases?
 - Cultural values / norms (cricket, Christmas holidays)?
 - Violence and crime?
 - Security issues on project sites?
 - Nepotism?
 - Corruption?
 - Chronic diseases - health - nutrition (can be a whole new category)?
 - Cultural behavior?
 - Pre-conceived attitudes toward donor agencies?
 - Political / social instability (dons, mafias...)?

Economic Environment

How is the organization affected by the economic environment?

- Does economic policy support the organization's ability to acquire technologies and financial resources?
- Is money available to do work?
- Do donors give their support?
- Is budget allocation adequate for the organization's work?
- Is external financing available?
- Are there supportive monetary and fiscal policies (including interest rates)?
- Is the debt burden restrictive?
- Are emerging markets conducive?
- Does stable currency exist?
- Is there a competitive market environment?
- Are policies and programs threatened by the informal sector?



- Is the economic growth rate supportive of development?
- Is the public service investment program reflective of government priorities?
- Is the tax policy regressive?
- What is the industrial relations climate?
- Are employment rates acceptable?
- Are trade agreements supportive of the country's comparative advantage (globalization and free market)?
- What effects is globalization having on the economy?
- What effects is globalization having on the organization?
- Are input costs restrictive?
- Is the financial sector conducive to economic development?

Technology Environment

Is the technology needed to carry out the organization's work supported by systems in the wider environment?

- Is there an adequate physical infrastructure (power, telecommunication, transport) to support the organization's work?
- Is the technology needed by the organization to carry out its work supported by the overall level of national technology development?
- Does the government system facilitate the organization's process of acquiring needed technology?
- Is there an adequate level of human resource development to support new technology?
- How reliable are available utilities, particularly electric power?
- How stable is the cost of available utilities?
- Are trainer resources available?
- What are the organization's networking capabilities?
- How adequate are the organization's data processing facilities?
- Does the organization have access to research?



Ecological and Geographic Environment

- Will the organization's services be affected by the occurrence of natural phenomena?
- Are the natural environmental conditions conducive and supportive of the organization's work, or do they impose additional costs or technical challenges?
- Does pollution affect the pace of the organization's work?
- How will environmental and natural resources policy and legislation affect the organization's performance?

"When all else fails, blame it on El Niño"

Remember:

Checklists are useful tools, but they are only a starting point, and need to be continuously renewed and revised.



Quick Assessment Document



SHORT GUIDE TO ORGANIZATIONAL ASSESSMENT

Conducting a quick assessment

This guide is intended to provide a framework for rapid organizational assessment (OA) during brief (one to two day) visits to an organization. For in-depth assessments, more comprehensive instruments are available.

This guide provides some key concepts for you to reflect on as you analyze the organization's enabling environment, motivation, capacity and performance. Use these concepts in writing your organizational assessment report.

Data Sources

Think about your data needs as your visit progresses. In the assessment process, attempt to:

- Meet a suitable spectrum of people and record their names
 - staff, managers, project officers
 - board members
 - beneficiaries, stakeholders
 - government officials, donors, other agencies
- Meet a suitable spectrum of people. Obtain available key documents
 - charter
 - mission statement, project loan documents
 - annual reports, financial reports
 - services descriptions
- Observe relevant facilities
 - buildings/grounds
 - regional offices
 - program of project sites
- Observe the dynamics among people
 - nature of meetings with you; who attends; who presides
 - processes for decision making
 - nature of dealings with organization's clients
 - how the work is conducted; dominant paradigm

Organizational Performance

Every organization should attempt to meet its goals with an acceptable outlay of resources while ensuring sustainability over the long term. "Good performance" means the work is done effectively, efficiently and remains relevant to the stakeholders. Characterize organizational performance by answering the following questions:

- How effective is the organization in moving toward the fulfillment of its mission?
 - organizational performance (major achievements, general level of organizational productivity defined according to the organization's mission and values, utilization of results)
 - staff performance (clients served, quality of services/products)
 - service performance (support to research community, transfer technology)
- How efficient is the organization in moving toward the fulfillment of its mission?
 - rates costs/services
 - staff productivity (turnover, absenteeism, outputs)
 - administrative system efficiency
- Has the organization kept its relevance over time?
 - adaptation of mission
 - meeting stakeholders needs
 - adapting to environment
- How financially viable is the organization?
 - diversification of sources of funding
 - ability to be profitable over time (for profit organizations)
 - to have surplus over time (not-for-profit organizations)

The Enabling Environment and Organizational Performance

Organizations do not exist in a vacuum. Each organization is set in a particular environment, which provides multiple contexts that affect the organization and its performance. Characterize the organization's enabling environment using the following guidelines.

- | | |
|---|--|
| <ul style="list-style-type: none"> • Describe and assess the administrative/legal within which the organization operates: <ul style="list-style-type: none"> – policy – legislation – regulations – laws | <ul style="list-style-type: none"> • Describe and assess the external political environment within which the organization operates: <ul style="list-style-type: none"> – form of government – distribution of power – access to government resources – allocation decisions – political will |
| <ul style="list-style-type: none"> • Describe and assess the social/cultural environment within which the organization operates. <ul style="list-style-type: none"> – norms, values – beliefs – attitudes in society – literacy | <ul style="list-style-type: none"> • Describe the technological and ecological environments within which the organization operates: <ul style="list-style-type: none"> – infrastructure, utilities – geography – technological literacy – information technology – climate |
| <ul style="list-style-type: none"> • Describe and assess the economic environment within the organization operates: <ul style="list-style-type: none"> – GDP, inflation, growth, debt – IMF conditionality – wage/price structure – community economics – hard currency access – government funding distribution | <ul style="list-style-type: none"> • Describe and assess the major stakeholders of the organization: <ul style="list-style-type: none"> – clients – donors – beneficiaries – government bodies – other institutions |

What is the impact of these environmental forces on the mission, performance and capacity of the organization?



Organizational Motivation

No two organizations are alike. Each has a distinct history, vision/mission, culture and incentive/reward system. Characterize the level of organizational motivation as determined by the following components.

- Analyze the organization's history
 - date and process of founding
 - major awards/achievements
 - major struggles
 - changes in size, program, leadership
 - other projects and loans through IFI's or funding agencies
- Understand the organization's mission
 - evolution of mission statement
 - organizational goals
 - role of mission in shaping the organization, giving it purpose and direction
 - articulating research/research products that are valued
- Understand the organization's culture
 - attitudes about working
 - attitudes about colleagues, clients or stakeholders
 - values beliefs
 - underlying organizational norms that guide the organization
- Understand the organization's incentive/reward system
 - key factors, values, motivations to promote productivity
 - intellectual freedom, stimulation, autonomy
 - remuneration, grant access, opportunity for advancement
 - peer recognition, prestige

How does motivation affect organizational performance? In what ways do the history, mission, culture and incentive system positively and negatively influence the organization?

Organizational Capacity

Organizational capacity underlies an organization's performance. Capacity is understood as the eight interrelated areas detailed below. Characterize the organizational capacity using the following conceptual guidelines.

- Assess the strengths and weaknesses of strategic leadership in the organization:
 - leadership (managing culture, setting direction, supporting resource development, ensuring tasks are done)
 - strategic planning (scanning environment, developing tactics to attain objectives, goals, mission)
 - niche management (area of expertise, uniqueness, recognition of uniqueness)
- Assess the strengths and weaknesses of financial management:
 - financial planning (operating expenses, forecast future monetary needs and requirements)
 - financial accountability (rules for member use of financial resources, transparent/verified system)
- Assess the strengths and weaknesses of the organizational structure within the organization:
 - governance (legal framework, decision-making process, methods for setting direction, external links)
 - operational (roles and responsibilities, coordination of labour, coordinating systems)
- Assess the strengths and weaknesses of the organizational infrastructure:
 - facilities management (adequate lighting, clean water, electricity)
 - technology management (equipment, information systems, hardware/software, library)
- Assess the strengths and weaknesses of the following systems, processes or dimensions of human resources :
 - planning (recruiting, selecting, staffing, orienting)
 - developing (performance management, monitoring, evaluation)
 - career management (career development, training)
 - maintenance (health/safety issues, gender issues, quality of working life)

- Assess the strengths and weaknesses of the program and service management:
 - planning (identifying needs, setting objectives, costing alternatives/developing evaluation systems)
 - implementing (adherence to schedules, coordination of activities)
 - monitoring (projects/programs, systems for evaluating progress, communicating feedback to stakeholders)
- Assessing the strengths and weaknesses of process management within the organization:
 - problem-solving (defining problems, gathering data)
 - decision-making (creating alternatives, deciding on solutions, monitoring decisions)
 - communications (exchanging accurate/vital information, achieving shared understanding among organizational members)
 - monitoring and evaluation (generating data, tracking progress, utilizing information, changing and improving the organization)
- Assessing the strengths and weaknesses of inter-organizational linkages:
 - networks (type, nature, appropriate membership, utility, coordination, cost benefit)
 - partnerships (type, nature, sustainability)
 - electronic linkages (communication networks, information equipment, information resources, people of all skills/backgrounds)

How does the organizational capacity affect organizational performance? What are the overall strengths and weaknesses of organizational capacity?



Evaluation Matrix



EVALUATION MATRIX - UNCDF

The evaluation matrix presented below was used in an Independent Impact Assessment (IIA) of the United Nations Capital Development Fund (UNCDF), a special purpose organization primarily for small-scale investment in the poorest countries.

The purpose of the assignment was to carry out an independent evaluation of the impact of UNCDF's programmes and projects.

ASSESSMENT DOMAIN	DEFINITION	ISSUE AREAS
Organizational Effectiveness and Efficiency	The extent to which the organization is achieving its mission and planned results with a reasonable/productive allocation and use of resources.	Mission articulation and orientation Organization Structure Management and Operations <ul style="list-style-type: none"> • Corporate Management and Oversight • Project cycle management • Partnerships at HQ and Country level • Technical Advisory Services • Innovation • Communications • Resource Management • Results Attained
Relevance	The extent to which UNCDF results are pertinent, given stakeholder priorities and needs and the local, national and international development context.	Context Stakeholders Strategic positioning
Sustainability of the Organization	The extent to which UNCDF is financially viable given its current support structure, funding sources, and partnerships.	Financial viability



ASSESSMENT DOMAIN	DEFINITION	ISSUE AREAS
Lessons Learned and Best Practices	<p>The learning from UNCDF experience that is applicable to generic situations</p> <p>The practices that have proven successful in particular circumstances and explanations about how and why they work.</p> <p>¹</p>	<p>Developmental lessons</p> <p>Operational lessons</p> <p>Best practices</p>
Future Directions	The key issues in moving forward as well as the proposals for action to be taken by different parties.	Recommendations

¹ These definitions are adapted from those used in the Terms of Reference



Tools



STAKEHOLDER QUESTIONNAIRE

The questionnaire below was administered to Caribbean governmental and public sector stakeholders of 5 Regional Health Institutions. It concentrated on effectiveness, efficiency, relevance and sustainability/viability – from a stakeholder perspective.

EVALUATION DIMENSIONS	EVALUATION QUESTIONS	EVALUATION SUB-QUESTIONS
I. Effectiveness	I.1 Is the RHI in question meeting its primary objectives?	<p>I.1.1 In general, to what degree have the objectives of the RHI as set out in its mandate or charter have been met to date?</p> <p>I.1.2 Are there any particular areas of the mandate of the RHI where you have seen superior performance?</p> <p>I.1.3 Are there any particular areas where, in your estimation, the performance of the RHI has not met the expectations of your ministry or has not met regional expectations?</p> <p>I.1.4 If any or all of the objectives of the RHI have not been met to date, what do you believe are the reasons for such shortfalls?</p> <p>I.1.5 What could be done to rectify these gaps and by whom ?</p> <p>I.1.6 Within the last five years what has been the most important contribution, or type of contributions, that the RHI in question has made in relation to your ministry or to your nation?</p>
	I.2 To what degree does the RHI in question report on its performance?	<p>I.2.1 Does the RHI in question submit its strategic plans and annual reports directly to your ministry or agency? What other elements of your national government also receive such plans and reports?</p> <p>I.2.2 To what extent is your ministry/ agency involved as part of your national government in the review of RHI in question's annual reports and / or plans ? Please explain how you do so and how your contributions are synthesized by the representative of your government that sits on the board/ governing council of the RHI in question.</p>
	I.3 To what degree is the governance structure of the RHI appropriate?	<p>I.3.1 How is your ministry/ agency represented on the governance structure of the RHI in question?</p> <p>I.3.2 If the RHI in question serves a number of ministries or agencies of your national government, how do all these bodies coordinate their work with respect to the RHI?</p> <p>I.3.3 What roles do you suggest that regional bodies such as CARICOM, PAHO and others might play to improve the effectiveness of the RHI in question?</p> <p>I.3.4 Have you ever consulted with representatives of other national governments about matters relative to the programmatic effectiveness or primary objectives of the RHI in question? If so, can you provide details?</p> <p>I.3.5 Have you ever consulted with regional organisations such as CARICOM or PAHO about the programmatic effectiveness or primary objectives of the RHI in question? If so, can you provide details?</p>



EVALUATION DIMENSIONS	EVALUATION QUESTIONS	EVALUATION SUB-QUESTIONS
2. Efficiency	2.1 Does the RHI in question efficiently utilize its human and financial resources?	<p>2.1.1 Overall in your estimation does the RHI in question provide “Value for Money” in the way that it utilizes its resources?</p> <p>2.1.2 Are there any particular areas where you feel that it makes best use of its resources? If so can you provide an example?</p> <p>2.1.3 Are there any particular areas where you feel that it does not efficiently utilize its resources? If so, can you provide an example?</p> <p>2.1.4 If so, what could be done to rectify these gaps and who should be responsible for doing so?</p>
	2.2 How does the RHI secure its financial resources ?	<p>2.2.1 Does your ministry or agency (or your national government) provide funding to the RHI in question ? Please set out in detail the mechanisms by which this financing is provided?</p> <p>2.2.2 Have these mechanisms changed over the last five years - namely new funding mechanisms or the abandonment of others ?</p> <p>2.2.3 Have the relative levels of your contributions to the RHI in question changed over the last five years, and if so, why ?</p> <p>2.2.4 Within the last five years, has your ministry or agency (or your national government) failed to meet its financial commitments to the RHI in question , and if so, why ?</p> <p>2.2.5 Has your ministry or national government ever expressed any concerns about how the RHI in question utilizes its human or financial resources? If so to whom, and on what subject areas in particular?</p>
	2.3 Are the use of RHI financial resources monitored in any regular manner?	<p>2.3.1 Do you know whether the RHI in question conducts internal or external audits of the use of the financial resources provided to it/generated by it? If so, has your ministry or agency been provided copies of these reports?</p> <p>2.3.2 Does your ministry or agency provide commentary to your national government’s representative on the governing body of the RHI in question relative to the use of human and financial resources?</p>
	2.4 Alternate uses of resources?	<p>2.4.1 Has your government ever made any proposals to the RHI in question, or to regional bodies such as CARICOM or PAHO, to effect partnership efforts between the various RHIs?</p> <p>2.4.2 Assuming that you believe that some increased level of inter-RHI cooperation would be beneficial, what might be the nature of such arrangements?</p>



EVALUATION DIMENSIONS	EVALUATION QUESTIONS	EVALUATION SUB-QUESTIONS
3. Relevance	3.1 Is the RHI in question relevant?	<p>3.1.1 In your estimation, to what degree is the RHI in question relevant to the various stakeholders within your nation ? Please explain in detail.</p> <p>3.1.2 On balance, does the RHI in question enable Caribbean governments (and your government in particular) and elements of civil society in your nation to make a positive difference in the improvement of the health and overall well-being of the regions citizens and development as a whole?</p> <p>3.1.3 If not, what could be done to improve the ability of the RHI in question to do so ?</p> <p>3.1.4 On balance, do you believe that the current governing structure of the RHI in question is capable of representing the needs of your nation in particular, and; more specifically, capable of taking the decisions that may be required to adapt the work of the RHI in question to new or emerging needs?</p> <p>3.1.5 At any time over the last five years has your ministry or agency gone to sources / service providers other than the RHI in question to access services that the RHI might have been able to provide ? If so, please describe these instances and explain why your ministry or agency did so?</p> <p>3.1.6 If the RHI in question did not exist, where would you turn to secure the same services, or would you do so at all ?</p> <p>3.1.7 On balance, what do you see as the most relevant areas of the mandate of the RHI in question for your ministry or agency ?</p> <p>3.1.8 On balance what would you see as the least relevant areas?</p> <p>3.1.9 On balance, at this time are there any un-served areas that fall within the general mandate of the RHI in question?</p> <p>3.1.10 On balance are there any aspects of the mandate of the RHI in question that are no longer relevant to your nation, or to the region as a whole?</p>
	3.2 How does the RHI consult with its stakeholders ?	<p>3.2.1 What bodies and organisations other than your ministry or agency, within your nation work with the RHI in question ? (paying special attention to stakeholders that may be non-governmental or representing various aspects of civil society)</p> <p>3.2.2 What means does the RHI in question use to consult with stakeholders and the various users of their services within your nation?</p> <p>3.2.3 On what frequency are these stakeholders in your nation consulted by the RHI in question?</p> <p>3.2.4 On what frequency is your ministry or agency consulted by the RHI in question?</p> <p>3.2.5 If your ministry or agency is the focal point for consultations and communications with the RHI in question, what means do you possess to integrate stakeholder input?</p>



EVALUATION DIMENSIONS	EVALUATION QUESTIONS	EVALUATION SUB-QUESTIONS
	3.3 What are the roles(if any) that CARICOM or PAHO or other regional bodies play of in supporting the RHI to operate in a relevant manner?	<p>3.3.1 What do you see as the roles that CARICOM, or PAHO, or other regional bodies play in supporting the RHI in question to operate in a relevant manner?</p> <p>3.3.2 To the best of your understanding, to what degree are these regional bodies carrying out these roles (if any) effectively?</p> <p>3.3.3 In your estimation, should these regional bodies play a different/more effective role in this regard?</p>
4. Sustainability/ Viability	4.1 Does the RHI have sufficient financial and physical resources to carry out its mandate ?	<p>4.1.1 In your estimation, to what degree does the RHI in question have sufficient resources to carry out its mandate ?</p> <p>4.1.2 If you believe it has insufficient resources, to do so, which areas of its mandate are not being implemented to the fullest degree, or which could be eliminated in a right-sizing process ?</p> <p>4.1.3 If you are of the view that the RHI in question has insufficient resources to carry out its primary mandate, what can be done to redress such condition?</p> <p>4.1.4 What other sources of funding might be available to augment existing the existing resources of the RHI in question?</p> <p>4.1.5 Do any elements of your government duplicate the work of the RHI in question to any degree? If so, please provide details including budgets?</p> <p>4.1.6 Under what circumstances might your government consider providing additional resources to the RHI in question?</p>
	4.2 Future Roles and Viability	<p>4.2.1 Do you see any new roles for the RHI in question emerging over the next five years?</p> <p>4.2.2 If so, how might these new functions be financed ? (by reallocation and by dropping some existing activities, by seeking new resources from partners, by cost recovery, etc.)</p> <p>4.2.3 Under what circumstance would you ministry consider providing additional resources to the RHI to expand its function into new areas?</p>
	4.3 Does the RHI have plans to generate revenue on the basis of cost-recovery, or provisions of fees for service activities ?	<p>4.3.1 Do you know whether the RHI in question has a formal business plan that addresses revenue generating / cost recovery activities ?</p> <p>4.3.2 If so, was your ministry or agency consulted by the RHI in question when such fees or business plans were established ?</p> <p>4.3.3 In your estimation, do the services provided on a fee for service / cost recovery basis by the RHI in question provide “value for money”?</p> <p>4.3.4 In your estimation, can you secure these services from other Caribbean regional providers (private or public sector) at lower costs and with equal or higher quality? If so, have you done so?</p> <p>4.3.5 In your estimation, can you secure these services from non-regional providers (USA, Canada, international bodies)? If so, have you done so?</p>



OA Report Outline



INSTITUTIONAL AND ORGANIZATIONAL ASSESSMENT - SAMPLE REPORT OUTLINE

1. Introduction

- Background and purpose
- Development issue
- Description of the organization
- Unit of analysis

2. Methodology

- Major issues / questions
- Data collection sources
- Data analysis
- Limitations (time, resources, information)
- Team
- Schedule

3. Institutional Environment

- | | |
|-----------------------------------|--------------------------|
| • Sector description | • Administrative / legal |
| • Development problem | • Economic / competition |
| • Political | • Technology /innovation |
| • Social / cultural / demographic | • Stakeholders |

4. Targeting Individual Organization or Network

- Identification of organization or network
- Profile of organization or network
- Organizational links to development problem

5. Organizational Performance

- Effectiveness
- Efficiency
- Relevance
- Financial viability

6. External Environment Issues and Trends Affecting Organizational Performance

- Political
- Social / cultural / demographic
- Administrative / legal
- Economic / competition
- Technology /innovation
- Stakeholders



7. Major Organizational Motivation Issues Affecting Organizational Performance

- Mission / vision
- History
- Culture
- Incentives

8. Major Organizational Capacity Issues Affecting Organizational Performance

- Strategic leadership
- Structure
- Human resources
- Finance
- Program / services
- Infrastructure
- Technology
- Inter-organizational linkages

9. Conclusions and Recommendations

- Areas for further studies
- Possible areas for intervention
- Possible ways of implementing the project



Articles on OA



ORGANIZATIONAL SELF-EVALUATION: AN EMERGING FRONTIER FOR ORGANIZATIONAL IMPROVEMENT

Charles Lusthaus, Marie-Hélène Adrien, Gary Anderson

The authors have been working to improve clients' institutional performance through a framework for institutional assessment and self-assessment. In this framework, performance is defined in terms of mission fulfilment, efficiency, and ongoing relevance (the extent to which the organization adapts to changing conditions in its environment). The framework implies that certain contextual forces drive performance: the internal capacities and motivation of an organization and its external environment. The article presents the framework as well as case studies of several institutions that are using the framework to assess themselves.

Introduction

Development and Performance

The world of development has changed significantly in the last thirty years. The field has virtually abandoned the concept that simply providing a nation with additional resources or inputs can lead to the type of development results desired. Our experience, in both developed and developing countries, indicates that adding to government resources and programs does not in itself lead to accompanying changes in poverty. Development is much more complex.

Furthermore, development researchers and practitioners have learned that the dynamic of change brought about through development action interfaces with the dynamic systems in a country that are also constantly changing. Today we are just beginning to recognize the complexity of the development process. We are beginning to understand the various regulating systems – social, political, economic, etc. – and to gain some experience in intervening in them. Although experience tells us that the regulatory environment is critical to development, we are less sure about how it can be changed (World Bank, 1994).

We have also learned that development is a people process. Nations need to be able to build their people's capacity to take charge of their development. Building indigenous capacity and empowering people to take charge of their own development is crucial to development.

Inextricably linked to the development of a nation's citizenry are the organizations and institutions people create to support national development. The work of nation building includes not only the building of people and regulating systems, but also the development of institutions and organizations that operationalize the needs and aspirations of people. Many development researchers and practitioners now believe that improving the performance of key institutions is a vital ingredient for national development (Lusthaus et al. 1995).



But how do you improve the performance of institutions and organizations that are critical to development? Why do some institutions perform well and others poorly in the same or similar environments? The field of institutional development, like development itself, has undergone many changes over the past 30 years, and, like development, it is a perplexing area. Experience indicates that simply providing resources to bolster the work of institutions will not sustain improved performance. Nevertheless, in the absence of well-performing institutions, it is quite unlikely that national development goals will be met.

Institutional Assessment and Self-Assessment

Although there has been a great deal of interest in institutional development, relatively little work has been done in supporting institutions in their quest to better understand themselves and their performance (Universalia, 1985). Institutions, like people, need to obtain feedback about how they are doing. Is the institution providing goods and services people want? Are the costs of the institution's services appropriate? Is there a sufficient quality to the work it does? Is the institution carrying out the role assigned to it? Does it have the capacity to carry out the role(s)?

In 1993, the International Development Research Centre (IDRC) and Universalia Management Group began to explore the issues surrounding ways and means to better understand how to assess institutional and organizational performance. IDRC was interested in exploring ways to gather organizational data about the centres they supported, in order to make decisions about future funding. They were also interested in an evaluation process that would use evaluation results to support organizational learning.

For over a year we reviewed the literature and analyzed our own fifteen years of experience in evaluating nongovernmental organizations (NGOs), international NGOs, and government organizations. Given the lack of theory on institutional assessment, we eventually developed our own model and a process that could be used in evaluating these organizations (Lusthaus et al. 1995).

Both IDRC and Universalia believed that self-evaluation could empower organizations and aid them in both using the evaluation and learning from it (Universalia 1991). The notion of self-evaluation also appeared to be a more sustainable approach to development: The funder would no longer simply provide funds, but rather would transfer knowledge in order to build the strategic capabilities of the organization. Furthermore, IDRC argued, organizations would be more likely to engage in experimenting with an organizational assessment model if they could control the process and be empowered by it (IDRC 1991).

This was an interesting challenge. Due to the individual natures and needs of individual organizations, self-assessment as an approach to institutional assessment is complex. We believe that a good framework for assessment must guide an institution in its own investigations into its performance – from defining its own idea of performance, to setting indicators, and finally to measuring its success.

We have been working on the challenge of improving performance and the challenge of self-assessment for over two years now and would like to share some of our experiences and the ideas that are emerging. This paper presents the framework we developed for assessing institutions as well as case



studies of several institutions that are using the framework to assess themselves. We have added our own findings from this experience and have also suggested some directions for the future.

An Organizational Assessment Framework ¹

In our efforts to develop an evaluation framework that was relevant to organizations, we moved from the program as a unit of analysis to the organization itself. By and large, the framework reflected a change in focus from how well the organization did its programming work to how its various systems and resources provided it with what we called *institutional capacity*. As our work evolved, however, we became increasingly concerned with the organization's ability to establish priorities in its own capacity development. This led us to refocus our framework on the organization's *performance* in its own development.

The Framework

A schematic representation of the framework is shown in Figure 1. Performance is defined in terms of mission fulfilment, efficiency, and ongoing relevance (the extent to which the organization adapts to changing conditions in its environment). The framework implies that certain contextual forces drive performance: the internal capacities and motivation of an organization and its external environment.

Figure 1 Organizational Assessment Framework





Organizational Capacity

Performance is in part driven by organizational capacity, which we now understand as existing in six basic areas: strategic leadership, human resources, core resources, programming and process management, and inter-institutional linkages. Each of these six capacity areas may be described in sub-components, as for example in the organization's strategic leadership capacity which is understood as its structure, governance, leadership, strategic plans and niche management. Human resources and core resources (financial and infrastructural capacity) are seen as resources as well as the management of these resources. Organizations also have capacities that result from the relations, partnerships and alliances they have established with other institutions – referred to as inter-institutional linkages.

Organizational Motivation

Internally, performance is also driven by the organization's motivation to perform, which refers to the organizational culture, history, mission, values and incentive systems. Like capacities, these factors affect the quality of work, the nature of how the organization competes, and the degree of involvement of institutional stakeholders in decision-making processes.

Environment

Organizations also exist within certain external contexts or environments that facilitate or impede their performance. Key factors in the policy or regulatory environment, and in the economic, political, socio-cultural, environmental and technological contexts, affect how the institution does its work, or the work it does.

Organizational Performance

In saying then that organizational performance is a function of three dominant variables – its internal capacity, its motivation, and its external environment – there remains a need to define the performance of an organization. Most organizations view their performance in terms of "effectiveness" in achieving their mission, purpose or goals. Most NGOs, for example, would tend to link the larger notion of organizational performance to the results of their particular programs to improve the lives of a target group (e.g. the poor). At the same time, a majority of organizations also see their performance in terms of their "efficiency" in deploying resources. This relates to the optimal use of resources to obtain the results desired. Finally, in order for an organization to remain viable over time, it must be "relevant" to its stakeholders. Organizations need to continually adapt to their changing stakeholder context. This ongoing relevance is the third key dimension to organizational performance.



Applying the Framework to Self-Assessments

Over the past eighteen months Universalia has been involved in two projects that are giving us some practical insights into organizational self-assessments. In the first project, Universalia worked with and supported a self-evaluation process in 12 research and training centres in Asia. This self-evaluation process was part of a larger evaluation of a development project (Anderson and Gilsig, 1995). The second project is a set of self-assessment exercises now being conducted by Universalia and IDRC in three research centres in Western Africa. These two projects are presented below as case studies. As you will see, these experiences have raised a multitude of issues and pushed forward our changing concept of self-assessment.

Experience in Asia

As the Universalia/IDRC framework was crystallizing, Universalia was contracted to evaluate a project that supported twelve education and research centres in Southeast Asia that were part of the Southeast Asian Ministers of Education Organization (SEAMEO). There is a diverse range of specialization among the centres, from tropical biology and tropical medicine to educational innovation and technology, from science and mathematics to archaeology and the fine arts. One aspect of the project was to strengthen the institutional capacity of the SEAMEO centres through institutional linkages which supplied technical assistance, training (in Canada and at the centres), equipment and materials.

The Decision to Include Self-Evaluation

Faced with a limited travel budget, a small amount of time, and an ambitious mandate, the solution appeared to be self-evaluation – which offered at least a hope for achieving what we wanted to do. Rather than involve external evaluators who would need considerable time to understand the organizations, we opted for internal evaluators who could help us understand the answers to our questions. Thus, we adopted the Universalia/IDRC framework and made plans to apply it to SEAMEO centres.

Self-Assessment Guide

A centre self-assessment guide was developed to assist SEAMEO centres in understanding their centre, its context, future directions, and needs. The self-assessment tool was a 50-page guide that provided a procedure and content to assist centres in conducting a thorough self-assessment of their capacities and performance, and a conceptual framework for centres to help refine and develop. A draft of the guide was discussed with selected centre directors and then modified to be more useable in the SEAMEO context.

The Self-Assessment Process

This was conceived as a two-stage process in which the centres would conduct their own self-assessments and then Universalia would react, raise questions and submit a formal critique. Completion



of the centre self-assessments involved major data collection and analysis activities within each centre. Each centre mobilized an assessment team, ranging in size from three to thirteen staff members (three-quarters of the teams were composed of more than six members).

Team members reviewed key documents, talked to people involved at different levels in the centre, observed facilities and activities, and observed interactions between people in different contexts (classroom, meetings, etc.). They discussed their observations and worked to reach a consensus on the different issues presented in the self-assessment guide. The centres then sent their completed guides to Universalia. It was a complex process in which centres participated with varying levels of effort, and this was reflected in the depth and quality of data that was collected.

Universalia reviewed the completed centre self-assessments and prepared summaries of each one, with a short analysis of concerns and priorities. At their annual meeting, Centre Directors met individually with a Universalia team member to discuss the self-assessments. The summaries were treated as confidential to the evaluation team and the respective centres. After the annual meeting, the Centre Directors took the summaries back to their assessment teams for review.

Follow-up communications with centres helped ensure that the resulting analysis was correct and acceptable to the centre. It was decided at this time that the self-assessments would not be included in the evaluation synthesis report, although aggregate findings would be embedded in the report. The self-assessments were a significant part of the evaluation owned exclusively by the participants themselves.

Results and Outcomes

Those centres that put significant effort into the self-assessment indicated to us that they had learned a great deal about their organizations in terms of future directions and needs, and Universalia learned a great deal both about the centres and about the process of self-assessment. The assessments complemented the ongoing strategic planning activities of the centres and were clearly an area in which the centres owned the process and the data. The results were encouraging as at least one of the centres plans to make this a regular activity. We realized, however, that much more support is required to get the most out of the process.

Experience in Western Africa

The self-assessment process in Africa was undertaken in three research centres: The Centre Ivoirien de Recherche Économique et Sociale (CIRES) in Ivory Coast, the Centre d'Études de Documentation et de Recherche Économique et Sociale (CEDRES) in Burkina Faso, and the Conseil pour le Développement de la Recherche Économique et Sociale en Afrique (CODESRIA) in Senegal.

The self-assessments had two main purposes: to increase the strategic capacities of the research centres, by allowing groups of managers inside the centres to identify the key issues and needs of the institutions; and to generate data and findings that would serve as a basis for an external review of the institutions conducted for IDRC by Universalia.



IDRC (Canada) funded the process. IDRC (Senegal) acted as regional project head, and was responsible for coordination and ongoing communication with the three centres, and for problem-solving when issues emerged in the process. Universalia facilitated the process and was responsible for transferring self-assessment skills and knowledge to members of each centre, and for providing IDRC with an expert judgement on the self-assessment reports developed by each centre.

The self-assessment process included five phases: planning, identification of strategic issues, development of a workplan, data collection and analysis, and reporting. The centres have completed four of the phases and are writing their reports.

Planning

During the planning phase, Universalia provided all centres with background information and materials about the assessment process. In addition, Universalia conducted a needs assessment visit to each centre in order to a) ensure a common understanding of self-assessment, b) understand the contexts of the different centres; c) begin to develop, with each centre, the main strategic issues of their institutions.

Identifying the Issues

In order to identify the key strategic questions, Universalia conducted a three-day workshop with senior executives at each of the three centres. Together they learned about the purpose of the exercise, acquired skills in self-assessment, and worked in groups to begin to identify key strategic questions which the organization was facing.

They began with a diagnostic process that helped them examine the main performance issues. Once the diagnostic was done, centres identified the causes around performance issues, and conducted a review of their external environment, a review of the motivation factors affecting performance, and a review of the capacity factors affecting performance. This process led to the identification of key strategic issues.

Some issues were similar amongst the three centres: the alignment of programs with the capacities inside the centres and with the various and sometimes conflicting demands of stakeholders; human resource capacities (more specifically, the capacity of researchers) to meet objectives; and increasing the quality and the regional scope of their research. Each centre also identified issues more specific to their context, such as governance issues, technological systems issues, and leadership issues.

Developing a Workplan

A team of managers and researchers at each centre developed a data collection workplan based on the key strategic issues they had identified. The workplan aimed at identifying the best sources of data on each issue, identifying the most appropriate methodology to collect the data, developing indicators of performance for the key questions, and developing a time frame for collecting the data.

The three centres took different approaches to developing their workplans. In one centre the workplan was done by two senior managers of the centre who shared it for consultation with the team. In



another centre, the process was very participatory and senior managers played a facilitating role in developing the workplan document. Universalia played a supporting role in this process, responding to requests, while IDRC actively visited centres on two occasions to ensure that the process was unfolding according to the schedule.

Collecting and Analyzing Data

Each centre opted for very different ways of collecting and analyzing data. One centre hired an external consultant to collect and analyze data on some of the main issues, and provide a report containing findings and recommendations. This report will be appended to the self-assessment report written by the centre. Another centre collected data through a three-day workshop that brought together the major stakeholders of the centre. The workshop was facilitated by some of the managers of the centres and participants came prepared with work done prior to the workshop. Participants worked in small and large groups to organize data; synthesis and analysis was done in plenary sessions. The third centre identified a self-assessment team of managers inside the centre that divided the tasks of collecting and analyzing the data amongst the team members. Universalia and IDRC were involved as participants in the data analysis phase.

Results and Outcomes

The self-assessment process is continuing in the three centres. When they are complete, Universalia will conduct an external review of the self-assessment reports for IDRC. Throughout the process, the centres have monitored their lessons learned about the process and their experience, and have participated in shaping the findings.



What We Are Finding

The Importance of Organizational Readiness

Before beginning the process of self-assessment, one needs to assess if the organization is ready for it. According to a recent analysis of participation in development, readiness is related to an organization's culture, climate, resources, and motivation (IDB 1995). The dimensions of our own framework also reflect the need for some type of preliminary assessment of readiness.

Cultural readiness is reflected by the degree to which an organization and its members are willing to disclose information, and to see disclosure as an opportunity for learning rather than as a threat. (In both Africa and Southeast Asia, participants were anxious about revealing personal information to a large audience. In Southeast Asia in particular, the notion of maintaining and saving "face" is a strong cultural value.) A corollary to this notion is the degree to which an organization is ready to see information as useful for self-improvement and to act on it.

Self-assessment also requires a climate of trust, participatory management, and a desire to improve. Organizations in which the management leadership styles are most transparent and open appeared to benefit most from a self-assessment exercise.

A third issue of readiness concerns the resources of an organization, both human and financial. Self-assessment requires strategic thinking skills, as well as capacities for data collection, strong analysis, and visioning. In our experiences in Africa and Asia, these skills were not evenly spread within the organizations, although some centres had initiated strategic management processes to develop skills and readiness. In addition to skills, an organization also needs the financial resources to support self-assessment — the will and the skills alone are not enough to support this time-consuming process. Although all three of the organizations in Africa seemed to understand the importance of self-assessment, only one put real resources into the process. In Southeast Asia, the commitment of resources seemed to be directly related to the director's attitude toward the initiative.

The willingness to change as the result of a self-assessment process is another sign of an organization's readiness. In some cultures, improved organizational performance does not necessarily link to better personal reward. Until an organization and its members see the benefits of change and are motivated to change, it is unlikely that the process of self-assessment will have any lasting effect (Guba and Lincoln 1989).

The Need for a Champion

Because motivation and commitment are key factors in the self-assessment process, it requires one or more individuals within the organization who are able to see the benefits of the process and to motivate others to become engaged. In Asia, one internal champion was relatively new to the organization but was able to engage his colleagues in the process. He provided the "engagement energy" and used it to



establish himself as a strategic leader in the organization. In one centre in West Africa, however, we were confronted with an interesting paradox. In this case, the centre's executive director became the champion of the self-assessment process, but saw this as an opportunity for him and a small group of managers to "tell the institutional story." If the involvement and participation of a wide range of stakeholders is a critical part of the self-assessment process, then this is not the champion needed (UNDP 1994).

The Need to Clarify "Performance"

Certain Western Africa centres questioned our framework for organizational performance – effectiveness, efficiency, and relevance. They considered these distinctly North American notions and wondered if they were transferable to regions where organizational performance might be defined by other criteria. The centres in Southeast Asia were facing major shifts in their resources bases and were attuned to "demand-driven" thinking and the need for "sustainability." And, although they readily understood the concept of performance as expressed in the framework, they too expressed a concern that the performance values expressed by the funder differed from their own. It is clear that we need to spend more time and effort to help organizations understand and define their performance criteria.

The Importance of Process

Goulet (1989) refers to participation as either a goal or as a means. If participation is intended to do nothing more than help in the analysis, it may represent yet another example of the dominant group exploiting the intended beneficiaries. If it is viewed as a legitimate approach to development, then it may be an excellent way to empower development participants in a sustainable way (Guba and Lincoln 1989). In Western Africa, the centres had some difficulties adjusting to the weightiness of the self-assessment process. In a compliance evaluation, developing TORs and a workplan and drafting a report may be the natural steps. In a self-assessment, however, the process is as important as the document output – a fact which needs to be reflected in the steps of the process. In future exercises, we believe there should be greater emphasis on coaching around the change process. For example, team efforts such as working together on visioning, problem-solving, and sorting data, all require people skills and group skills which many centres were not accustomed to using.

The Importance of Trust and Transparency

The notion of creating a common body of knowledge (Freedman 1994, 57) is a good one, particularly if one realizes that it is not necessary that every group of participants be involved in collecting all the information or even that people endorse the perspectives of the other groups. Once the information is shared at least people can challenge it and, with supportive group processes, can use it to build their understanding of how others act on the common knowledge. It is naive, however, to think that a process of self-assessment funded by a major funder can be purely a "self" assessment. Some centres questioned the honesty of the process, the conflict of interest with the funder, and the difficulty they had in conducting a self-assessment with frequent interruptions and interference from the funder. This



is essentially an issue of trust. A self-assessment has a better chance of being successful if the funder-recipient relationship is open and transparent.

An Opportunity for Learning

It is continually surprising to us to find out how little people know about their own organizations. In most of the organizations we have worked with, participants told us that the self-assessment process provided them with a tremendous opportunity to learn about their own organizations.

The Time Requirement

The self-assessment process is an ongoing and therefore time-consuming process. Every organization we worked with indicated to us that they had little time to engage in self-assessments or reflections. They needed the self-assessment process to be quick or to follow a rapid assessment approach. We have been unsuccessful so far in meeting this requirement.

The Need to Clarify Basis of Judgement

As we attempted to help organizations assess their effectiveness, efficiency and relevance, it became harder to agree on a clear definition of these terms. All sectors, but specifically the NGO community and the not-for-profit groups, need to develop both standards and benchmarks that would help them better understand when they are successful. If, for example, an organization meets 50% of its goals, is this "effective"? If 70% of stakeholders say that the organization is meeting their needs, is the organization "relevant"?

The Need for Deadlines and Support to Meet Them

In order for the self-assessment process to work, it appears organizations need to be accountable to both their funders and their own leadership for completing the process. This may require specific deadlines as well as support to complete the process. In two of the three centres involved in this process in Africa, the self-assessment process fell significantly behind schedule. This may be partially due to the relatively small amount of pressure that was put on the organization to complete the self-assessment. Centres that set deadlines that could not be moved kept to their deadlines. In fact, all twelve organizations in Southeast Asia met the deadlines, even though the time frame was very short.

The level and the nature of the support requested in the self-assessment process varied from one organization to another: One organization in Africa requested more support at the brainstorming stage — they wanted to more information before making a decision. Another institution requested more technical support, and tools and instruments to guide their planning process. A third institution made no requests for support. As facilitators, we needed to accommodate the individual processes and develop coaching methods that suited their needs.



The Importance of Identifying the Audience

Early in the process, it is important to clarify the purpose of the self-assessment process and to identify the future users and readers of the report. This can reduce the level of stress and ambiguity associated with the process. In Western Africa, self-assessment reports will be used differently in each centre. One centre, which saw the report as a marketing and promotional document, was hesitant at addressing some of the strategic issues with all the required transparency. A second centre viewed the self-assessment report as a "business plan" with which it could seek funding. A third centre did not want to include anything in the report that might harm their future relationship with their funders. If the purpose and audience for the reports had been clarified earlier, these organizations might have been less hesitant and the process could have been expedited.



Conclusions: Looking to the Future

Our experience with organizational self-assessment has promoted further reflection on the concept of self-assessment: What are the salient characteristics of effective self-assessment in organizations? It is not simply a question of organizations participating in their own diagnosis. It relates fundamentally to an organization owning the process. By being theirs, the process is self-directed and can be considered a self-assessment. Moreover, this concept of ownership has several corollaries that are related to an organization's assessment agendas, perspectives and values.

Through ownership, the involved organization sets the agenda. It determines the critical questions; it frames how they are worded and how they are prioritized. In essence, the organization takes charge of its own development — at the point of development it has reached. Theoretically, organizations go through various stages of development and the pertinent agenda will naturally vary according to this stage of development; more importantly, the organization will formulate its questions using terms acceptable to those involved. In this exercise, however, the introduction of a common language for certain key concepts, as in our framework, is helpful to organizations interested in reviewing their performance. Thus, a concept such as performance can have a common definition while respecting the organization's idiosyncratic ways of talking about it.

Even without formal backgrounds in organizational theory, individuals involved in organizations bring their own perspectives to any attempt at organizational evaluation. Furthermore, there is an inherent reluctance in many organizations to accept other people's models and this can temper their interest in adopting any particular framework. We are finding, however, that the organizations we have worked with are willing to use the model we have developed with IDRC as a springboard to their own formulations and understanding. We believe organizations need to find their own meaning — and our framework is helpful in aiding the search.

Perspectives on methodological issues are more complex and we are learning that there are many misunderstandings and differing perspectives that need to be accommodated. Self-assessments do not have to take on the methodological purity of publishable research, but they do need to be valid representations of an organization's reality. This raises the debate about what constitutes methodological soundness. Although the statistician may see no need for more than a small sample, the organization may insist that every member and client have a chance to state his or her views. Some stakeholders will trust questionnaires, others may not. Some will emphasize quantitative performance indicators while others will be mostly interested in qualitative perceptions.

People involved in these processes also have widely differing values. For example, what constitutes good performance of a university department? How important is good teaching? What emphasis is placed on research? Are contributions of the department to the community considered important? Even within the broad categories, academics debate long and hard about the relative merits of book chapters vs. refereed articles vs. conference proceedings (not to mention the standards attributed by different people to different publishers, journals and conferences), single vs. joint or multiple authorship, and so



on. The power of the self-assessment process is that it affords primary stakeholders an opportunity to clarify values without the imposition of unhelpful external values.

We are trying to learn about these issues by attempting to help organizations engage in self-assessments using our framework and self-assessment aids (Universalia 1995). The hope is that we can develop capacities and systems that extend beyond point-in-time evaluations to approaches that facilitate and encourage ongoing monitoring of performance. In our view, this is a more productive approach to development than are models based on strictly external assessment to satisfy an external agenda using external perspectives and based on external values.

Notes

I. For a full discussion, see Lusthaus et al. (1995)

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GIVING EVALUATION AWAY CHALLENGES IN A LEARNING-BASED APPROACH TO INSTITUTIONAL ASSESSMENT²

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The adoption of a learning-based approach to evaluation presents special challenges to a research-funding agency with a mandate to strengthen research and research capacity with partners in less industrial countries, or in the South. While the general practice has been to evaluate funded projects, there is increased recognition that the project may be the wrong unit of analysis. Projects are a way of organizing work, but they are not the end in development. They do not in themselves serve the purpose of building institutional capacity, and their implementation and evaluation may in some cases be detrimental to the strengthening of an institution. The adoption of a learning-based approach to evaluation within a granting agency leads to the realization that there is also a need and potential benefit for applying this evaluation approach within recipient organizations. This highlights a significant change in perspective on the use of evaluation for both the donor and the recipient. Such an approach presents significant challenges and opportunities to increase participation in the evaluation process. Giving evaluation away to those most directly affected calls for new approaches to evaluation, which both recognize the need for accountability and quality control and build the internal capacity of organizations for using evaluation for their own organizational planning and management purposes.

In 1995, the International Development Research Centre (Canada) published a framework for institutional assessment for research organizations (*Institutional Assessment*, Charles Lusthaus et al) which was originally commissioned to meet the needs of the Centre in assessing the organizations it funds. It was quickly recognized that this framework had considerable potential as a participatory self-assessment tool and as a mechanism to assist organizations in building evaluation into their planning and management systems. Trials were carried out in several organizations in West Africa and South Asia.

This paper will explore the background to the development of a model for institutional assessment at the International Development Research Centre, to support our interest in strengthening capacity with partner institutions of IDRC. I will focus especially on perspectives from a funding agency because that

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is where my experience lies, but also because funding agencies and granting councils have driven a significant part of the evaluation agenda in development work for the past twenty years.

The International Development Research Centre (Canada) is a public corporation funded mainly by the Government of Canada. IDRC was established in 1970 and funds research and research capacity building in Third World countries, with a view to supporting local capacity building for scientific research in support of development. While in the early years of IDRC the primary focus was on building individual research capacity, there has been increasing emphasis on building strong research systems, organizations and institutions.

Background

The field of international development has a particular relationship with evaluation. Evaluation has been used primarily by the donors and granting agencies to assess the utility of their projects in countries they are assisting. In this context, donor agencies generally set the evaluation measures and establish criteria based on donor agency programs. This approach to evaluation remains an important dimension of accountability for any donor agency, whether in the public sector or as an NGO. From the point of view of recipient organizations, evaluation has thus been viewed largely as a policing mechanism, and in donor agencies its implementation has largely been on a compliance basis. What is assumed in this approach, is that good projects were selected to begin with and that these projects will lead to an overall beneficial effect. Evaluation of projects often serves as a proxy to assess executing agencies: if “good” projects are happening, then the executing agency is considered good (and vice versa).

Frustration with this donor control of the evaluation agenda and an early recognition by community groups and community voices, that there was an essential role for the community in evaluation, has led to the development of a number of approaches to evaluation based in the community, such as Participatory Rural Appraisal, among others. While the donor community has been slow to deal with this issue, it is increasingly recognized that the current approach of project evaluation has not yielded the most beneficial results, either for the donors themselves or for their recipients. It has not been that helpful to donors because the focus has been primarily on individual projects, without recognising overall contributions to development. As we are pushed increasingly to demonstrate results, there is emerging realisation that the results are not evident solely in the projects, but also in the environments where the projects are implemented.

Evaluation Stages/Steps	Degree of Participation of Recipient Organizations		
	High	Medium	Low
Planning Stage			
Step 1: Identification of issues to be studied		*	
Step 2: Formulation of terms of reference			*
Step 3: Choice of consultants			*
Step 4: Timing of Study		*	
Step 5: Resources to be spent			*
Conduct Stage			
Step 6: Briefing of documents			*
Step 7: Travel and Logistic arrangements	*		
Step 8: Methodology planning			*
Step 9: Determining sources of information		*	
Step 10: Reviewing and interpreting information collected			*
Reporting Stage			
Step 11: Debriefing	*		
Step 12: Draft report		*	
Step 13: Final Report		*	



Because results are generally translated into short-term measurable impacts of projects, the very nature of research for development to build capacity for the future is at risk. Project evaluation is also less useful to recipients because this approach remains focused on donor funding agendas, without taking into account the local context in which projects are implemented. As Bajaj (1997) noted in a recent study, donors and recipients want very different things out of an evaluation. Recipients want to learn about how their objectives are being supported by this work, and what they can learn about their progress in evaluating a given project. Donors want to learn about the project itself, and then relate it back to their programming objectives. As the same study noted, the lack of involvement of recipients in the design stage of evaluation studies, or even the data gathering stage, means that the needs and interests of the donor dominate the evaluation agenda. As outlined in the table below, recipients only tend to be brought into the evaluation to help with the logistics and to hear the results. If they have not been actively involved in the design of the evaluation process itself, it is hardly surprising that most evaluation results are irrelevant to the recipient organizations.

In summary, the project may be the wrong unit of analysis. Rather, the analysis should be more specifically focussed on the results we are trying to achieve, whether to strengthen a field of research or to contribute to a domain (such as health, employment, food security) in national development. In other words, instead of regarding projects as the end, they should be viewed more as the vehicle to achieve larger development objectives. That is certainly the intention in funding the work in the first place; however, the evaluation process does not reflect that reality. If we move in this direction, results are then measured in terms of progress towards the objective, not only in terms of the (project) vehicle's successful performance.

That projects should be regarded only as a means rather than the end is not a novel concept. It is in the implementation that projects have become the focus and for many purposes, the end point. As Najam (1995) notes in a review of the literature on project and policy implementation, only when the actors are viewed as the unit of analysis and implementation is seen as a political process do we begin to build an understanding of the enabling and constraining factors in any initiative. In contexts where there are many actors, both individual and institutional, the process is even more complex; hence, a project-focussed evaluation approach will take one further away from a clearer understanding of the interactions and interests driving the success or failure of an initiative. Both the problem area and the project context are critical in the evaluation process, as are the roles and functions of implementing agents and those affected by the activity or project.

Viewing evaluation from this perspective has major implications for the evaluation programs of donor agencies and granting councils, where learning has been largely based within the funding agency and where the project has been the basic unit of analysis. With the focus on performance measurement and results based management, a project should be assessed in the context of how it is contributing to the larger goal of development. This means that there has to be learning both for the funding agency and the recipient organization. The unit of analysis changes -- and perhaps more importantly, it means that performance is measured against progress in a development context, not solely against achievement of the project.



From Project Evaluation to Institutional Assessment

The growing awareness within the donor community of the importance of institutional⁴ capacity building as a critical part of development work in the South is part of moving away from a project model of development to a more systemic model. It is recognized that institutions and organizations play vital roles in how a community evolves and what opportunities it acquires. Institutional capacity building takes a variety of forms: some argue that organizational structures need to be created and reinforced; others argue that alternate forms of support such as networks of support among researchers in different countries are a more effective mode than building organizations. But in all cases, there is recognised need for a support structure so that strong and capable individuals do not operate in isolation (Bernard, 1996; Lusthaus et al 1995). There is a need for creating a space for consultation, a space for bringing along junior researchers and a space for action and influence on the policy-making process, which extends beyond the individual reach of any one person.

The establishment of strong and capable local institutions- and not only strong projects- is necessary to effectively make decisions and implement programs. This need is part of the recognition that development agencies don't deliver "development" but rather deliver pieces of the development puzzle which countries, organizations, networks or individuals, can choose to use or not. Many different types of programs have been designed around this issue, both on the research side and on the development side. They include organizational support grants for research centres, the creation and strengthening of research networks, support to government agency capacity building, support to NGOs and so on; they include specialized research area grants, core grants, and training programs. An issue that emerges is how to evaluate progress in this area. What constitutes institutional capacity strengthening? How does it differ from individual capacity building? And what criteria should be used and who should be involved in the assessment process?

In many countries where IDRC is working, individual research capacity has grown significantly over the twenty-five years the Centre has been operating. We find that we are working with an increasingly sophisticated research community (Salewicz & Dwivedi 1996). While many efforts are underway to expand research capacity both within the traditional university-related research community and outside, an increasing emphasis is on the institutional structures within which individual researchers operate. Strong researchers need institutional support structures to conduct their work and mechanisms through which to influence the policy process. This may mean the building of traditional research structures - university departments, research institutes - but it may also mean building other forms of institutional support, such as research networks. Whatever the strategy, there is a need to explore the most effective patterns for institutional support and to build a capacity to assess the organizations and

⁴In the development of this framework we have used institution and organization interchangeably; we have not attempted to differentiate the two. Webster=s Ninth New Collegiate, 1989) defines an institution as, a significant practice (viz., a legal system) and as an established organization.



institutions which are created or strengthened. As the Centre moved towards this direction, several requests were directed to the Evaluation Unit at IDRC to identify some appropriate tools for assessing institutional development, to complement the existing abilities of assessing individual research capacity.

The Evaluation Unit of IDRC undertook to develop a framework for the assessment of institutional capacity with a particular focus on research institutions. This framework was developed with the Universalia Management Group (Lusthaus et al 1995) and was the basis for development of an approach to diagnose organizational strengths and weaknesses and provide a basis on which to determine potential and identify areas for support. What is unique about this framework is that it explicitly addresses several dimensions of institutional strengthening. While most institutional assessment work focuses primarily on capacity within the organization as the critical dimension, this framework looks equally at four dimensions of an organization:

- capacity (leadership, management, human resources) remains important, but balanced with
- motivation (history, mission, culture, incentives) and
- environment (legal, social, technical, etc.) These three key elements are situated in a
- performance framework, based on effectiveness, efficiency, relevance and financial viability.

The approach is based on the premise that performance demonstrates the results of the organizations work, in efficiency, effectiveness, relevance and financial viability. Performance is then the synthesis and result of the way in which the organization uses its capacities, builds motivation, and deals with its environment. In order to assess these areas of performance, the three areas of capacity, motivation and environment are assessed.

Since each institution or organization is unique with different capacities, environments and mission, this framework for institutional assessment is not prescriptive. Rather, this framework provides a set of guidelines around the key areas, which need to be addressed. These factors are inter-related as illustrated below.

The framework can be used for external or internal review. It can be used for a comprehensive review of an organization, or to address a specific issue or problem. It was developed in the first instance as a tool for a funding agency to assess its partnerships.

However because of the factors noted above (i.e. the importance of ownership in the use of results, and the relevance of assessment as part of the capacity of an organization), we tested the framework as a self-assessment approach. Several case studies based on use of this model were presented at the Canadian Evaluation Society meetings in Ottawa in May 1997.





At that point, the work was just coming to a close in most of the organizations that adopted the self-assessment framework. Since then we have had the final reports which give us further insights into the areas covered, the problems encountered and the potential for this work. What I would like to do here is elaborate on the findings of testing this framework and explore their implications for applying the model and for strengthening future work in the area of participation in institutional assessment. Based on our experience, this model is not restricted to research organizations but is also useful for other types of organizations. While the cases presented here are all research oriented, they nonetheless provide useful insights more generally in the area of participatory institutional assessment. What emerges from these experiences is that a participatory-based monitoring and evaluation approach should form a key part of any organizational assessment, as organizations are the platform from which actions and initiatives spring.

Experiences in Institutional Self-Assessment

I will present experiences as a synthesis of the self-assessment work undertaken in several research institutions in West Africa and South Asia, rather than by highlighting any one case⁵. First, I will outline what we thought would happen; then I will summarize what actually happened. Next I will explore some of the lessons, which emerge, and what potential we see for ourselves, other funding agencies, and the recipients gaining more control of the evaluation process. Finally, I will raise some issues for future research, which may be a useful complement to the research agenda this workshop intends to develop.

The Plan

The institutions involved in self-assessment were approached based on recommendations and suggestions from IDRC program officers. The concept was that this would be a joint assessment, involving both IDRC and the recipient, as both had learning needs about capacity of the organizations. The process was to be facilitated by Universal Management Group, who would assist in the identification of terms of reference with each institution, identification of tools, support for methodology for data collection and analysis, and commentary on the final report. IDRC would remain involved in some capacity with the participating institutions with the expectation that the reviews could be of value to IDRC and could obviate the necessity for external review in some cases. It was also expected that IDRC would learn more about the potential of assessment as a tool in building organizational capacity. Time frames were individually established; however, it was intended to have considerable overlap in timing amongst the three institutions in West Africa, in part to save on travel costs for the facilitators, and in part so that there would be some opportunity for comparisons and joint work by the organizations.

⁵The cases will be published by IDRC and can be obtained through the Evaluation Unit.



In South Asia the process was slightly different, with the integration of a strategic planning process into the self-assessment. This entailed a workshop following the assessment in which the members of the organization met for a week to discuss how the diagnosis influenced their strategic plan.

In both settings, an initial visit by IDRC to propose the institutional self assessment was followed by a consultation with the Universalia team to discuss a “readiness”⁶ and begin the definition of terms of reference and a work plan, to establish a process in each organization, and to consider the resources (internal and external) which would be needed to conduct the assessment. Finally, the consultants were asked to provide a comment to IDRC on the external review, not so much in terms of conclusions of the team, but rather in terms of the quality and reliability of the data on which the conclusions were based: did they ensure full data collection; did they ensure access to reliable data; did they identify all relevant sources, and so on. The purpose of this comment was to provide back up to IDRC on the legitimacy and quality of the assessment so that it also had the potential to be used for IDRC purposes as well.

In West Africa, IDRC has a regional evaluation officer based in Dakar. She worked closely with Universalia to provide back-up for the institutions participating in the process. Her role was to keep the process moving, either by providing assistance herself, or involving a Program Officer the consultants or the Evaluation Unit as needed. She was involved from the beginning of the assessments and maintained a watching brief, assisting where appropriate.

It was anticipated that the assessment would result in a report that could be used not only by the organization in its own planning but also by IDRC as part of its accountability requirements.

What Happened

These case studies were all within organizations that have received funding from IDRC, in West Africa and South Asia. They are all research/development organizations, but of somewhat different types, from regional institutions, to research institutes within a university. All engage in development research and all seek to influence development policy at the national and regional levels. All are engaged in work that is intended to create an “indigenous body of knowledge” in their respective fields of endeavour (economics, social sciences, rural development). That is, all are seeking to create or adapt models of research for local conditions.

There was initial scepticism in most of the organizations. This was based on previous experiences with evaluation and organizational assessment (where it had been used in other contexts to downsize, reduce funding, etc.), on concerns about the links between the assessment and ongoing IDRC support, and on the perceived commitment of resources to a process advocated from outside. Not surprisingly, scepticism was least pronounced where there was no direct link between the assessment and any

⁶ @Readiness@ refers to [a] the clarification of the evaluation's primary purpose and the identification of the main [clients] actors to be involved in the process <?> [for the evaluation], through an examination of factors such as culture, leadership, resources, vision, strategy, and systems.



projects, both in terms of timing and program officer involvement. In the process of implementation, scepticism was slowly overcome in all but one case, and the assessments proceeded effectively. Overcoming the scepticism was an incremental process; it happened as the participants perceived the relevance of the process to their own needs. In one case, scepticism persisted and is, in my view, the primary reason that the assessment has not been completed to this date. Start-up was slower where scepticism was higher.

The work was carried out by providing facilitation support to design an institutional self-assessment process around the framework. The actual development of terms of reference, data collection and analysis were carried out by the organizations themselves, with some involvement of the facilitators and some external expertise commissioned in some cases. For example, in West Africa this emerged in a joint design workshop involving all 3 research institutes with IDRC and the facilitators. The workshop was called to outline the nature of the self-assessment, develop terms of reference for each study and begin to design data collection instruments. It was both helpful and a distraction to have the three organizations working together. To some extent they were able to learn from each other and strengthen the development of terms of reference and data collection. At the same time they each needed a very different process and needed to address different issues. On reflection, perhaps a one-day workshop together followed by individual organizational workshops would have been more productive. Data gathering by each organization was structured differently and teams to manage the self-assessments were set up according to the prevailing norms in the organisations. In one case, the Executive Director created a self-assessment team composed of several young professionals led by the Head of Training. The team was responsible for all aspects of the process. Their work was reviewed by the Executive Director. In another organization, the process was led by a team of two very senior managers who subcontracted external consultants to carry out specific aspects of the process such as data collection and analysis of some issues. The team then integrated these external reports into their own synthesis outputs. In a third organization, the senior management operated as a Steering Committee responsible for the strategic aspects of the self-assessment and mandated various individuals inside the organization to conduct parts of the process.⁷

Different mechanisms were employed in the organizations, from placing the bulk of the work in the hands of relatively junior professionals, to actively involving senior managers throughout the process. The organisations themselves determined which mechanisms to apply. For instance, in one organization the Executive Director's role was intentionally minimal during the process of the self-assessment; however his role was crucial in ensuring that important stakeholders would provide needed data. He is influential and respected in his region and he personally called stakeholders both within and outside the organisation and encouraged them to respond to the questionnaire that the operational team was sending. The response rate increased significantly with his intervention. In another case, the organization involved a former executive director (the founder of the centre) as part of the evaluation

⁷ The case examples presented in the following sections are taken from, Charles Lusthaus et al, Using Assessment to Improve Performance, in press, MS p 15.



team, and he was able to provide the historical perspective on many of the issues discussed. The individual became the “wise” advisor and his role was invaluable.

In all cases where the assessment has been completed, there has been strong support from management for the initiation of this process, and there have been human and financial resources dedicated to completion of the work.

In the one case where the process is not yet complete, there has not been strong support from the management of the centre: in the midst of discussions it became clear that the director would be leaving his post and from that point he had no incentive to engage in the process. A new director may or may not make a difference to the process. Discussions have to be undertaken with the new director to determine whether or not the process could usefully proceed at this stage. What will need further clarification is how much the new director will see this as an opportunity to assess the structure and functions of the research centre, or whether he (or she) will see it as a compliance mechanism. To some extent, the new director's own views on his (her) own mandate will be a determining factor, as will be the role and position of IDRC in the process, as will be discussed further below.

The initial plan to maintain parallel processes among the organizations in West Africa was initiated with a joint workshop involving the leadership of all three centres and the facilitators to discuss the nature of the process, and the intent of the assessment. However, given the different starting points of each organization, it was not possible to maintain the same time frame on each process. This meant a slightly more expensive process and a slightly more significant time commitment by all parties concerned. It also complicated the start-up of the exercise: as the parties were at different points and held different views, a collective exercise was difficult to use effectively.

The role of the funding agency (in most cases, only IDRC) in the self-assessment process varied. In some cases, program officers from the donor agency were actively involved, and in others, assessments were undertaken without the involvement of the program officers other than awareness that the process was underway. The casework tells us quite clearly that it is possible for the granting agency to be involved in supporting this process, but that there must be some clear boundaries. Where a program of funding is coming to closure (whether a project or an institutional support grant), there are risks that partial information may be used against the organization. This happened with one of the participating centres. In the course of the self-assessment, a number of discussion documents were prepared and circulated within the research centre. These documents were part of tentative ideas raised by different staff members, some of which were generally agreed to, while some of which were new issues coming up for the first time. Because IDRC was involved in working with the group on its self-assessment, the documents were also given to IDRC. In one instance, an IDRC staff person noted some issues in the report, and used the occasion to challenge what was being done in the research centre. This created concern about the use of information and a fear that openness could be penalized. It can be extremely difficult to draw the line between open engagement in discussions and raising issues from outside before the internal conclusions have been reached.

As has been noted in relation to other points above, the assessments generally took longer than anticipated (one is not yet complete). No one realized in advance the implications of a self-assessment process in terms of involvement of staff, members and other constituents. Overcoming some of the



barriers outlined above had to be achieved with all the different constituencies. For example, in one case, a member of a self-assessment team had a difficult experience in the past with an external consultant who was involved in conducting a self-assessment exercise; as a result, this team member raised a lot of initial resistance to the process. The consultant facilitating the self-assessment had to acknowledge and deal with the resistance before the process [self-assessment] could actually move forward. This was achieved primarily through dialogue, negotiation and persistence. In another example, a self-assessment was undertaken officially and everyone in the organisation was informed. In practice, however, the staff members responsible for the self-assessment did not have enough time to simultaneously conduct the assessment and continue their normal professional activities. Ultimately the team brought the issue to management to resolve, and the staff member was allocated more time for this task.

In all cases, the self-assessment resulted in focussing around issues pertaining to the mission and direction of the organization - as Bajaj noted in her study, it is the organization itself, not the project, which is of most interest to those being evaluated. What emerged in all cases was that there were fundamental changes, which should be considered in the mission or structure of the organization. For instance, one centre realized that in its efforts to be well funded and become a strong organization, it had started to compete with its members for donor-funded projects. The Board and management realized that they had to change the nature of the projects supported, in such a way that they would complement and support their members' efforts, rather than take projects away from them. Instead of obtaining funding solely for project implementation, management identified a need to obtain support to provide training for their members, to explore new research areas their members could work in, and in general find ways to enhance their members' capacities so that they could carry out the work in their own countries.

This outcome of the self-assessment process which leads to a greater organisational focus is not surprising in the sense that as the environment changes, the discordance between any organization's structure and mission with the environment increases. The institutional assessment work creates a timely mechanism for addressing this issue. Since the extent of potential change was not realized at the beginning of most of the assessments, this meant that not enough time was allocated to consider these issues: it was generally assumed that the assessment would lead to fine-tuning more than anything else. However, it usually resulted in revealing much more fundamental change, for which time requirements are more long-term.

What We Learned

Each organization we dealt with in the process was unique. They were all at different stages in development and all had different issues as a starting point. This highlighted the individual nature of the process and confirmed for us that there is no single approach to advocate. Each assessment needs to be defined in the context of the specific setting, and each design has to be sufficiently flexible to adapt as the layers of the organization are peeled back. The experiences to date have suggested several important lessons, both as to the design and to the process of self-assessment. The main insights are highlighted as follows.



Those inside are not necessarily easier on themselves than an external reviewer would be.

In the cases conducted, the leadership has addressed and in some cases adopted, recommendations, which fundamentally challenge the governance structures of the organizations. Because the investigation, analysis and recommendations were drawn from inside the organization, the potential for application is much stronger. The following shows examples of how results from the self-assessment have been utilised directly by those involved:

- One organization realized that it needed a much stronger capacity to provide training and technical support to its members. As a result of the recommendations of the self-assessment, they have since strengthened the training unit and given it much more prominence in the work they carry out.
- Another organization continued the self-assessment process with a 3-day strategic planning exercise, during which the self-assessment data was used as a basis for the development of strategies.
- One organization used its self-assessment report to develop a special Board session at their annual meeting.
- However, one particular case illustrates that ownership over results may not always be achieved in the process. In this case, the organization never fully completed the exercise due to various changes. The director left just as the process was to begin. A new director was not in place for some time. There has been no follow up, and the draft report is likely to be shelved.

There is always the question in a self-assessment that the self interest of those involved will lead them to paint a rosy picture of the situation, either to maintain a view that things are going well or to present a picture to the outside which will lead to further funding. We did not find this to be the case. Difficult issues were raised and addressed in the course of the self-assessment in all the institutions. Challenges to mission were made and recommendations have included some quite fundamental changes. There are several reasons for this:

- 1) The nature of the self-assessment process involved a range of actors, not only one “level” of actor in the organization. This means that there are opportunities to raise different perspectives and issues. No organization consists of only one perspective; so by involving different actors in the self assessment, these different perspectives and concerns are brought out.
- 2) In addition, all of those involved have at one point experienced external reviews in which they had to deal with someone who never unravelled the layers of complexity in their organization, and therefore was not able to present relevant recommendations. Those involved in the self-assessment appreciated the opportunity to deal with the issues in depth with a group of participants aware of the complexities within the organisation.
- 3) In the end, it is the staff and membership of the organization which has to live with its successes and failures, not the external reviewers. They have therefore a stake in taking the opportunity presented to do everything they can to improve the organization.



The self assessment process is most effective when it is de-linked from the project cycle.

One of the first challenges in the self-assessment process was skepticism about the motives: Was this simply an alternative way for the funding agency to get inside the organization to decide about future funding? This concern was exacerbated in those organizations closest to the end of their current funding cycle. Since most evaluation is conducted as part of determining whether or not to continue funding of a project or an organization, this remained a problematic factor in the self-assessment cycle. Thus, while the concept of self-assessment should make it part of institutional strengthening, there was a natural tendency to consider how the assessment will affect the project cycle. In instances whereby project funding was coming to a close, there was a strong tendency to expect the outcome of the assessment to lead into the next (potential) project.

In the one case where the process was de-linked most explicitly from the funding cycle, implementation was much smoother. In this case, the donor agency program officer was not actively involved with the self-assessment exercise. There was an open discussion of this issue between the donor agency program officer and the staff of the recipient organization in the beginning of the assessment; it was clearly agreed then that the assessment would not be linked to the project, and that the program officer from the donor agency would not be directly involved in conducting the assessment. This agreement was fully upheld during the implementation. The program officer was kept informed of events over the life of the assessment, as well as of the outcomes of the assessment; but he was not informed of the details of the assessment as it took place. While it is possible to develop a collaborative approach to institutional self-assessment, and that the assessment can be useful to for both the organization and the funding agency, the parameters of that collaboration must be clearly spelled out at the beginning. The principles which would seem to apply are that:

- 1) the terms of reference should be developed collaboratively;
- 2) the process documents should be shared judiciously and their receipt by the recipient should be treated as a demonstration of trust and collegiality; the contents should not be used against the organization nor should their be a perception of use in that way; and
- 3) the purpose of the self-assessment needs to be kept clearly in focus. For the organization, it contributes specific change recommendations. For the funding agency, it is not so much the specific outputs which are at issue, but rather the identification of capacity building through effective assessment, followed by implementation of the recommendations.

Self-assessment and external review fulfill different purposes

Both external review and self-assessment are legitimate review processes. External review is often needed for accountability of funds received and also for quality control. But without some parallel review processes internal to the organization, external review does not necessarily contribute to institutional strengthening and capacity building. Self-assessment fulfills that need, by providing the mechanism for an organization to look at its own progress and determine what changes should be made. It strengthens an institution's capacity for reflection, a key component of any learning



organization and helps organizations deal on a more equal footing with external stakeholders (i.e. funding agencies). This means more capacity to negotiate with donors on the design of evaluations, resulting in a stronger focus on the progress of the organization as a whole rather than the success of the individual project.

Lessons from the Process

Aside from these key areas of learning, there are a number of elements of the self-assessment process, which proceeded differently in each organization. The successes and problems encountered suggest some adaptations to the process, which should be considered by both implementing organizations and facilitators:

- 1) The self-assessment needs a 'champion', but the champion needs to put a system in place to ensure full participation and continuity if the process is going to proceed clearly and smoothly.
- 2) The self assessment needs the support of the relevant interest groups, both within the organization - staff and members - and in the surrounding environment - those affected, government departments, other funding sources, and so on.
- 3) The organization should be prepared to have discussions on both the mission and structure of the organization. While there was not an intent in most cases to move the assessment to this level, it happened in all cases.
- 4) The process often leads to an ongoing interest in evaluation as learning and organization building. In that context, the establishment of an ongoing monitoring and evaluation process, or a modification an existing evaluation role is sometimes an outcome. The concept of a learning approach to evaluation has major implications within the organisation in terms of human resources, time investment in evaluation.
- 5) While the self-assessment process may have been a more time consuming process than external review, the recommendations are readily understood when they are presented, and do not require the sort of review and internalizing which is required when recommendations come from an external review. Time lag from recommendation to implementation, therefore, is greatly reduced. While we have not tested this idea, it would appear, if we look at time requirements - starting from the beginning of assessment to the implementation of recommendations - we would find that self assessment is no more time consuming than external review, and may be less so.
- 6) There is a need to determine the optimum relationship in a collaborative self-assessment when external actors are involved. While we still don't know what best defines such a relationship, an open exploration of the issues and potential conflicts would certainly be an essential ingredient in the design of a collaborative self-assessment.

The Research Agenda: Operational Considerations

Giving evaluation away to those most affected remains a strong research agenda in building the use of and capacity for evaluation within our organization and in work with our partners. The potential for



learning from evaluation is much stronger in such a context, and the relevance of evaluation is more clearly demonstrated. The ongoing frustration of evaluators as to whether or not anyone actually uses their results is mitigated when the conclusions are reached by those most affected. As these cases demonstrate, when it is within their power to do something, the members and stakeholders in an organization will conduct an assessment that addresses fundamental questions. Several critical questions remain unanswered:

- 1) We don't know how sustainable the interventions for institutional self-assessment will be. Hence, follow up with the participating organizations over the next several years will be critical.
- 2) We are only beginning to work with these and other partners on the question of the design of relevant internal monitoring and evaluation systems which will assist them in such processes on an ongoing basis.
- 3) We don't know if and how the process could be repeated in an organization: would there be reluctance to get so deeply into mission and structure again? Or is there potential for follow-up on a more ad hoc basis, dealing only with a few issues?
- 4) While we hypothesize that self assessment will be seen as relevant to the donors, we don't yet know how true that is: will it help the organizations reduce the amount of external review to which they are subjected? Will the donor community begin to see this as a relevant demonstration of built capacity?
- 5) To date we have not distinguished clearly, between institutions and organizations. Increasingly we see an importance in defining the difference between institutions on the rules, and organizations - the structures to implement the rules. Thus, can the same conditions apply in institutions as in organizations? In the field of PM&E, there are some large challenges in this regard. While it is complicated to assess an organization in a participatory manner, moving to the level of an institution, such as the educational system, significantly increases the complexity of applying a participatory assessment approach: it will have to take into account the range of actors, the number of issues, the different organizations involved.

These are some of the outstanding questions, which we will be exploring over the next few years. We got involved in this kind of process because of our own experience in IDRC in terms of its limited use of evaluation and the Centre's philosophy of engaging in collaboration with Southern partners rather than in simply providing expertise, which they do not have. For that collaboration to be effective, our partners need to drive their own decision-making and development, and our role is to engage with them in that capacity building. In the case of evaluation, it is very much a joint search for new approaches as we are only at the beginning of understanding a more effective role for evaluation in our own setting. Our partners, who have more often than not been the subject of evaluation, bring strong direct experience to those issues, which could strengthen our own use of evaluation as well as their control of the evaluation process in their own settings.



The Research Agenda: Methodological Challenges

The above experiences with institutional self-assessment provide a number of important learning regarding operational issues, which should be addressed in developing a stronger participatory basis for evaluation. In addition, there remain some key methodological issues, which must be addressed if participatory monitoring and evaluation is ever to be seen as legitimate, rigorous and relevant, and if its results are going to be applied seriously beyond the boundaries of the community using the approaches. These methodological issues pertain to challenge the development of the field of evaluation itself.

A key challenge in this area relates to the notion of scientific rigor in evaluation. In its development and use in modern, capitalist societies, evaluation is valued for its scientific authority. Therefore those methods seen as "unscientific" will be marginalized. At the same time, House (1993) notes that concepts of validity, scientific method and objectivity are changing dramatically. The increasing recognition that science is value based and that even quantitative measures are based on what we think is important rather than any final authority, is leading us in the direction of a different approach to scientific rigor and validity. As Ernest House notes (1993:10), *Evaluation developed originally as a strategy to find grand solutions... but this proved to be a disappointing and chastening venture*. It was thought that if the methods for obtaining data were solid, everyone would agree, and would embrace the results. This has simply not happened and evaluators are beginning to realize that different interests are involved, that these are changing, and that pluralistic approaches are central to successful evaluation. *How to synthesize, resolve, and adjudicate all these 'multiple multiples' remains a formidable question* (House, 1993:11).

These changes are important to the participatory research community in general. If evaluation can be rejected because it is not rigorous, or "scientific", then the authority which goes with that evaluation is lost. It is therefore crucial that the PM&E community enter fully into the debate and engage in the development of new methods in the social sciences which are still rigorous, and yet which also explores/remains open to very different frameworks and perspectives which must necessarily replace traditional methods.

Next Steps

The time is appropriate to address these challenges in the PM&E community. The strong and growing interest in participation amongst organizations of all types and sizes indicates an acceptance of the importance of participation for action. But there are still important steps to be taken to develop approaches which are both methodologically and operationally strong, and which will withstand criticisms and challenges. This workshop has provided the opportunity to identify the key opportunities and key points for action to develop a stronger approach to participatory evaluation.



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ORGANIZATIONAL ASSESSMENT: A REVIEW OF EXPERIENCE

Charles Lusthaus, Marie-Hélène Adrien

Introduction

Organizations are an important part of contemporary life (Drucker, 1990). For many, today's organizations take precedence over traditional family allegiances. How well organizations perform has a significant effect on our lives. With the emergence of an increasingly global economic context during the 1990s, organizations began to experience an unprecedented amount of pressure to perform (Lusthaus, Anderson, & Murphy, 1995). Maintaining a continued presence in the marketplace demanded a new level of performance. While in the past, organizations could function adequately by relying on process management methods and systems (Harrison, 1987); this was no longer viable in a highly interdependent, multi-stakeholder and competitive business environment. In order to ensure their survival, organizations started shifting towards a more results-oriented approach to management (Grindle & Hilderbrand, 1995).

Reliance on performance management systems is common in a variety of contexts today. During the 1990s, the need for organizations to have a clear understanding of what constitutes 'performance' became apparent. However, for organizations in the government and non-profit sector, definitions of results were not easily forthcoming; such organizations often have broad goals that are difficult to translate into concrete objectives (Fowler, 1997). It is clear that in an economy of reduced public spending, non-profit and public organizations will face increasing pressure to find ways to define and improve their performance. But at this stage, few fertile models exist to support the process. In collaboration with the International Development Research Center (IDRC), Universalialia has developed a framework that can help organizations understand their performance. The framework is based on extensive experience gained while conducting numerous organizational assessments around the world during the past two decades. Since the framework is generic, it can and has been applied in a wide range of organizations, both by external evaluators and by organizations themselves as part of a self-assessment process. The purpose of this paper is to describe the conceptual and methodological evolution of the framework and to explain its utility in five self-assessment cases in the non-profit sector. But before presenting the model, it is important to place it in the context of evolving trends in management and organizational assessment theories.



Approaches to Organizational Assessment

Organizations are set up to serve a particular purpose (Etzioni, 1964) and that the role of management was to support this purpose by strategically gathering and applying resources in an efficient manner. However, experience showed that things are more complex than originally discussed. Organizations did not serve one single goal but had multiple goals and sub-goals (Quinn and Rohrbaugh, 1983), some of which supported the original 'organizing' purpose, while others did not. Furthermore, in practice, an organization's goals were constantly and easily being displaced (Selznick, 1957). They were displaced in a variety of ways: time changed people's perceptions of the goals, leaders altered the goals, organizational events caused a shift in priorities, or even systems and structures inadvertently acted as a counterproductive force and inhibited the achievement of objectives. Given this complexity, how were organizations and their constituents to know if they were moving in the right direction? How were they to measure performance and the factors associated with good performance?

Caplow argued, "every organization has work to do in the real world and some way of measuring how well that work is done" (Caplow, 1976, 90). His conception of organizational performance was based on common sense and on the notion that organizations need a way of concretely identifying their purpose and assessing how well they are doing in relation to it. According to Caplow, each organization did have a sense of what it was doing and ways of measuring success - in other words, it had an institutional definition of its own purpose. Since it was clear to most people and managers that organizations that did not make money went out of business, private firms used the common sense concept of profit as a way to judge their performance. Thus, at the simplest level, measuring financial growth was a way of assessing how 'well' work was being done. Since profit is, indeed, a significant and valid aspect of good performance, many managers in the private sector used profitability as a complete metaphor for understanding organizational performance, and began to define their purpose above all in terms of monetary gain. In government and non-profit organizations, however, ideas about what constitutes good performance were not as clear. We all knew that schools help children learn and that power companies supply electricity, but whether a root concept such as profit is an appropriate way to define good performance was uncertain.

The adoption of profitability as a primary objective in the private sector was congruent with prevailing ideologies shaping management practices at the time. Management theorists in the early part of the century tended to focus on devising scientific or engineering methods of increasing financial gain (Taylor, 1947). In support of such management objectives, organizational assessment focused on identifying ways to improve the efficiency of workers. By 'engineering' optimal ways for people to behave in specific organizational production systems, managers aimed to produce more goods for less money, thereby increasing profits.

Starting in the 1940s, more abstract and generic conceptions of performance began to emerge in the discourse on organizational performance (Likert, 1958). Gradually, concepts such as 'effectiveness,' 'efficiency' and 'employee morale' gained ground in the management literature and, by the 1960s, were considered to be major components of performance (Campbell, 1970). Managers understood an organization to be performing if it achieved its intended goals (effectiveness) and used relatively few



resources in doing so (efficiency).⁸ In this context, profit became just one of several indicators of performance. The implicit goal shaping most definitions of organizational performance was the ability to survive. From this perspective, an effective yet inefficient organization would not survive any better than an efficient organization that was not achieving its stated goals. Thus, prevailing organizational theories expected performing organizations to do both – meet their goals and do so within reasonable resource parameters (Campbell, 1970).

Gradually, it became clear that organizational assessment and diagnosis need to go beyond the scientific measurement of work and work methods. The presence and contribution of those doing the work - people - emerged as yet another important organizational component to be factored into the performance equation. The conceptualization of people as an organizational resource gained ground as well. As a result, approaches aimed at shedding light on the potential impact of human resources on organizational performance began to appear. For instance, Rensis Likert pioneered the use of survey methods as a means of diagnosing organizations. Likert's theory assumes that participatory management practices lead to higher organizational performance. In this context, surveys were used to capture data on employee perceptions of a variety of organizational management practices such as leadership, communication, decision-making, and so forth.

During the 50s and early 60s, the search for a significant variable that would lend diagnostic insight into the functioning of organizations led to the analysis of organizational structure as well. At the time, some believed that the most efficient organizational form was bureaucracy (Weber, 1947), and that consequently organizations needed to diagnose how bureaucratic they were. The assumption was that the more bureaucratic⁹ the organization, the better performing and efficient it would be. Consequently, managers started describing government and private sector organizations in terms that operationalized Weber's criteria for bureaucracy - specialization, formalization and hierarchy - and emphasized bureaucratic components when diagnosing organizations (Blau & Scott, 1962; Pugh & Hickson, 1996).

Organizational assessments had, until then, focused primarily on work, people (and their processes), and organizational structure. However, by the mid 60s and into the 70s, organizations in the public, profit, and non-profit sector began to explore new ways of understanding their performance. As a result, a range of alternative means of gauging performance emerged (Steers, 1975). The assumption that only a limited number of standards of measurement (e.g., profits) exist was dismissed, as more multivariate approaches were taken. Attempts to identify and examine the factors associated with high levels of performance were made. Organizational assessment was gradually becoming more complex and holistic, attempting to integrate as many aspects of an organization as possible (Levinson, 1972).

In the process of looking for better ways of understanding and assessing organizations, business and systems analysts created a variety of concrete cost accounting tools and techniques for helping managers understand financial performance (e.g., planning program budgeting systems - PPBS - zero-

⁸ At the time, 'morale' was considered to be a component of broader efficiency indicators.

⁹ At the time, the concept of bureaucracy as discussed by Weber was considered as the ideal organizational form.



based budgeting, etc.). Similarly, social scientists began to explore different human and interpersonal factors that potentially influence an organization's performance - factors such as problem-solving, teamwork, morale, communication, innovation, adaptation, and so forth. As a result of efforts to analyze successful organizations, a variety of core practices which appeared to enhance organizational performance emerged in the late 70s and early 80s. In turn, these gave rise to further approaches to diagnosing organizations (Kilmann & Kilmann, 1989). By beginning to explore organizational aspects other than effectiveness and efficiency, we recognized the importance of stakeholders in the performance equation - clients, staff, customers, suppliers and so forth (Peters & Waterman Jr., 1982; Walton, 1986). As we entered the 1990s, ways to describe organizational performance and the factors associated with performance in the government, private and non-profit sectors were clearly more holistic and comprehensive (Gaebler & Osborne, 1993; Harrison, 1987; Meyer & Scott, 1992).

Universalial's Experience

Universalial's interest in organizational assessment emerged in the early 1980s, in the context of non-profit organizations (or units) engaged in international development work. During this period, the Canadian International Development Agency (CIDA) asked Universalial to develop an evaluation process to assess the Non-Governmental Organizations¹⁰ (NGOs) and Non-Governmental Institutions (NGIs) it had funding relationships with. Since CIDA was considering to expand its funding of a significant number of these organizations, it needed data on their ability to absorb and use the funds appropriately (Universalial Management Group, 1985).

The organizations Universalial was to assess were mostly non-profit organizations that exhibited a heightened urge to engage in international activities because of their special 'mission' to do good works. They defined success in terms of goals such as 'poverty reduction', 'rural development', 'human resource development' and so forth. These organizations believed in 'good works' and 'good works' were their primary activity. Overall, they did not see the need to invest in formal assessment of their organizational performance, and if evaluations did occur, they assessed the quality of their projects and program activities. Moreover, the prevailing attitude was that non-profit organizations operating in the development sector were doing better development work than profit-seeking organizations involved in international work.

Looking back, given the development sector context at the time, clearly our main interest throughout the 80s was to help such organizations do more of their good work. Since the collective focus was on expansion and the development of management systems to support it, we strove to help organizations improve their management systems and processes. In this context, we created an organizational assessment approach that could assess the quality of the management systems and processes used by the NGO/Is under review. As part of the review process, we assessed the effectiveness and efficiency of the organization's projects and programs – however, this was not the

¹⁰ NGOs are one type of non-profit organization. In the context of this paper, this includes universities and research organizations



primary focus during this period. We generally assumed that the NGO/Is were effective and sought to improve their management systems so that they could absorb funds more efficiently. During the 80s, we conducted over fifty organizational assessments using the methodology we had developed (Universal Management Group, 1985). However, as we moved to the end of the 80s and into the early 90s, changes in the political and economic climate changed the focus of our assessments.

The early 1990s were a period during which scarcity emerged at the forefront of management thought. Instead of pursuing expansion, organizations now faced the need to contract the volume or scope of their work. Both profit and non-profit organizations tried to adapt to a vastly changing context. In the private sector, the recession of the late 80s saw profits decrease dramatically, and downsizing became the favored survival strategy. Similarly, governments began to downsize and resources available to the non-profit sector decreased dramatically. In the context of this movement towards contraction, many recognized the need to develop better ways to understand, monitor, and communicate the performance of non-profit organizations. Government had to make decisions about how to best utilize the dwindling funds that remained as they started answering the call for 'doing more for less'. In response to this changing context, Canada's provincial and federal governments began to discuss and develop 'results' oriented funding frameworks. Given such shifts in policy and public opinion, the need to better understand organizational performance emerged as a critical concern within the non-profit development community. It was in this context that Universal and IDRC began to develop a way to understand and assess institutional and organizational performance.

An Organizational Assessment Framework

Background to the Framework

Effective managers are more than diagnosticians. They are leaders who see the link between knowledge, planning and change. Indeed, for some of the most effective leaders, organizational assessment is a means to address performance issues. However, the decision to undertake the challenge of diagnosis is only the first step; one needs to find the appropriate diagnostic model. Taking into consideration the wide range of organizations that exist today, the search for such a guide can become a challenge itself. Organizations may be profit-oriented or non-profit, public or private, local or international, centralized or decentralized, product or service-oriented. Can a single model be appropriate in all contexts? As daunting as these distinctions may be, organizations have even deeper dimensions of difference. Some are networked, others are vertically-integrated, or departmentalized, or profit-centered. Organizations that are virtual or electronic don't even have traditional headquarters. How does one deal with such a range of contexts in a common approach?

The need for organizations to be aware of their performance and to make an effort to improve is clear. However, 'self-knowledge' can bring further benefits to an organization than offering ammunition for defending its activities in the face of demands from stakeholders. Knowledge is also a tool of empowerment, one that can actually lead to an increase in performance. If someone else can do things faster, better, or cheaper, we can learn from what they have learned to do. Astute managers are always searching for better ways to understand how management processes affect performance. In some cases,



assessments emerge from sources external to the organization. Various shareholders, while not formally part of the organization, give their feedback on performance in a wide assortment of ways. The public chooses (or not) to be a member and pay membership dues to an NGO. Similarly, the public chooses (or not) to purchase stock from a company. However, the limitation of such external data is that it is diagnostic rather than prescriptive. “So, we know they are more efficient than we are, but does that help us figure out how to do better?”

Universalia’s experience in the field in the 1980s showed that it was possible to successfully apply assessment methods in order to identify the strengths and weaknesses of an organization’s structure, processes and systems. While we did review the program performance of organizations we assessed, we did little in the way of trying to understand their organizational performance. The issue we faced was developing a method that would be holistic and link the organizations’ strengths and weaknesses with an analysis of their organizational performance. Our initial work in the 80s was heavily influenced by the organizational diagnosis approaches, which grew from within the private sector (Levinson, 1972). As we looked at more contemporary work (Harrison, 1987; Kilmann & Kilmann, 1989; Peters & Waterman Jr., 1982), we saw that although the approaches were holistic and focused on many key performance variables, they did not provide a distinct definitive model of organizational performance. It seemed to us that more attention had to be paid to the conceptualization of ‘organizational performance’. Our goal was to develop an approach, or framework, which would encompass a definition, or model of performance, as well as an organizational assessment procedure. Taking this as a starting point and incorporating the lessons learned from our past experience, we worked with our colleagues at IDRC and created a comprehensive organizational assessment framework. In our view, the framework could be used to assess research centers specifically, and organizations involved in development work in general.

The Framework

When we started our discussions with IDRC’s evaluation unit in 1993, one of the important issues that we needed to clarify was the unit of analysis of our work. In the past, most assessment models focused on programs and projects. In this instance, we wanted the framework to focus on the organization. On the whole, the framework we were introducing reflected a change in focus from how well the organization did its programming work, to how well it was performing as an institution. As we reflected on our experience, developed our ideas, and reviewed the literature, we concluded that our framework needed to be based on an absorptive and holistic model. We recognized that there was a massive amount of literature and a wide assortment of ideas and concepts that made up the fields of management, organizational assessment and change. In this context, we felt that our framework needed to be broad enough to include many of the ideas from these fields.

Three insights guided the development and evolution of our model. First, we recognized the complexity of the concept of organizational performance. After conducting over 30 reviews of NGO/Is and studying reviews done by others, we were struck by how difficult it was for organizations under review to describe their own understanding of organizational performance. Only a handful of the organizations we encountered could describe how well they were doing ‘organizationally’, and even



fewer had ways of gathering data in order to test their performance assumptions. In the event that they were able to describe their performance, the descriptions encompassed a wide assortment of ideas and concepts. After spending a great deal of time with organizations and reviewing the literature, it was quite clear that our framework would require a multivariate exploration of organizational performance.

The second insight came as a result of the crisis NGO/Is faced in the late 80s and early 90s. In our previous work, we had included a review of the organizational context or environment. However, our review was mostly descriptive, geared primarily to provide background information. Again, as a result of our empirical work and analysis of the literature, we realized that in order to gain a better understanding of organizations under review, one needs to assess as well as describe the environment within which they operate. Clearly, friendly environments - the type experienced in the 80s, which fostered growth and development - were of a different nature than those we were experiencing in the 90s. The environment faced by organizations in the 1990s was becoming increasingly open and complex. In response to such changes in context, our organizational assessment framework would have to place more emphasis on assessing the environment than was customarily done before.

The third insight emerged as a result of our recognizing that although the staff in certain organizations operate under harsh conditions, with few resources and poor management systems, they get a lot of work done and exhibit a relatively high level of organizational performance. We noticed that the staff and all those working with such organizations (clients, members, etc.) were remarkably motivated and displayed a high level of commitment. Despite poor systems and conditions, they clearly believed in what they were doing, used all their ingenuity to create positive results, and were able to grow, prosper and learn how to adapt to changing circumstances. It became evident to us that organizational motivation was a factor worth exploring when doing an assessment.

These insights, along with the experience gained during our previous work assessing the systems and capacity of organizations, helped shape our framework. In brief, Universalialia's framework encompasses the following areas:

- measuring organizational performance
- understanding the organization's external environment
- determining organizational motivation
- examining organizational capacity

In the schematic representation of our framework shown below, performance is defined in terms of effectiveness (mission fulfillment), efficiency, and ongoing relevance (the extent to which the organization adapts to changing conditions in its environment). The framework implies that certain contextual forces drive performance: the capacities of an organization, forces in its external environment, and the internal motivation of the organization. A brief explanation of the framework follows (for a more complete explanation, see Lusthaus, Anderson and Murphy, 1995).





Performance

As we looked at the literature and reflected on our own experience, it appeared to us that three ideas captured the performance of most of the organizations we worked with. First, most non-profit organizations view their performance in terms of the extent to which they can meet the requirements set down in their mission, purpose or goal statements. In organizational terminology, this would mean an organization is effective to the extent that it is able to meet its stated mission and goals. For example, one would typically consider a university effective to the extent that it provides teaching, engages in research and offers a service to the community. Nevertheless, universities like other organizations need to carry out their activities within some resource parameters. The concept of efficiency captures the idea that in order to perform well, organizations need to operate in an efficient manner (e.g., the cost per university graduate). As mentioned earlier, effectiveness and efficiency have been the standard concepts used for determining organizational performance. However, since the 70's, a wide assortment of other variables associated with organizational performance emerged. These concepts include morale, innovation, turnover, adaptability, change orientation, and so on.

Furthermore, not only are there a wide assortment of ideas circulating, but it is also clear that different stakeholders want different types of organizational performance. In reviewing these ideas, it appears that most relate to ensuring that the organization is able to survive over time. In our terminology, we call this on-going relevance to stakeholders. In our model, an organization is performing when it is able to balance its effectiveness, efficiency and relevance.

Organizational Capacity

Organizational capacity is the ability of an organization to use its resources to perform. By making the organization the unit of analysis, we can assess all of the resources, systems and processes that organizations develop in order to support them in their work. An examination of the systems and management practices associated with human, financial and infrastructure resources helps provide insight into the use of organizational resources. Within our model, strategic leadership comprises the systems, structures and processes that set the direction for the organization. Program management looks at the ability of the organization to carry out its institutional role, while process management examines the way the organization manages its human and work related interactions. Finally, the ability of the organization to manage its external relationships is referred to as inter institutional linkages in our model.

Organizational Motivation

As stated earlier, we were inspired by several organizations we had assessed which were able to perform despite having few resources and relatively undeveloped organizational capacities.

Organizational motivation represents the underlying personality of the organization. It is what drives the members of the organization to perform. In our framework, we assess organizational motivation by analyzing a number of organizational dimensions. Organizational history is one of the dimensions we look at - how and why the organization got started, what the milestones are, and so forth. In a similar way, the assessment model explores the mission, values and vision, attempting to understand what the



driving forces working within the organization are. In our view, the culture operating within an organization, and the incentive systems it offers also contribute to organizational motivation. These combined factors give the organization its personality and affect the quality of work and its performance.

External Environment

Finally, clearly organizations are open systems and that the external environment within which they operate is very important. Organizations need to get support from their environment if they are to survive and perform well. It is the environment that is the key factor in determining the level of available resources and/or the ease with which an organization can carry out its activities. Poor macro economic policies lead to high interest rates, fluctuating currencies and a host of conditions that make it difficult for some organizations to operate and perform well. Also, it is difficult to operate if there are poor infrastructure services. Things such as road systems, electricity, phone lines and so forth also influence an organization's performance. The characteristics and quality of the environment affect the performance of the organization. Thus, in assessing an organization, one must pay attention to environmental factors such as the economic conditions, political factors, socio-cultural conditions, environment, demographic conditions and technological contexts.

The Shift from Assessment to 'Self Assessment'

As the Universalia/IDRC assessment framework and terminology continued to evolve, we became aware of another set of assumptions that needed questioning. Although institutional assessment is a helpful tool for accountability, we were also interested in its potential use as part of an organizational change or capacity development process. However, our framework relied on assessment processes that had been developed in the context of an 'external expert model'; where an expert in institutional assessment would rely on a model to guide the assessment of the strengths and weaknesses of a targeted organization. Although the methods we used often demanded a high degree of participation, we were, nonetheless, still engaged in an external review process. While the use of this model was sensible when meeting accountability requirements, it was less useful as a way to build capacity and support change.

It is worth noting that our work relied on research literature rooted in theoretical models of organizations¹¹ (Blau & Scott, 1962; Peters & Waterman Jr., 1982; Pugh & Hickson, 1976; Scott, 1995). This research attempted to create, develop, objectify and articulate a general theory of organizations and change, and provide generalized prescriptions that work for all or most organizations. However, our field experience was running counter to the notion that a general theory of organizations and the

¹¹ Although we were aware of the work being done within the constructivist paradigm up to the early 1990's, we were influenced primarily by those working within a positivist organizational theory framework.



inherent assumptions behind it were appropriate. Rather, we found the argument set forth by Drucker, that all organizations and organizational members create their own theory of the firm, more convincing (Drucker, 1995). From this perspective, change is a shared organizational experience in which organizational members must engage jointly, subsequently incorporating new ideas into their behavioral repertoire. Moreover, organizational behavior, change and performance are all constructed parts of organizational members' lives. In order to change organizations and their members, one needs to work with the members and support them in the construction of their own new theory of their organization.

This change in approach was in tune with the evolving context in many areas involving the social sciences. As stated before, early theorists indicated that there was one best way to organize (Weber) and a best way to do work (Taylor). These social scientists hypothesized that specialization would lead to improved effectiveness and efficiency. Their hypothesis paved the way for the emergence of highly specialized social roles and the objectification of knowledge.¹² For example, now an investment counselor was more effective at managing your money than you could ever be. Likewise, a doctor knew what is best for you and your health. While in the context of organizations, auditors, evaluators and management consultants improved the functioning of your organization as long as you followed their instructions.

In many areas of activity, experts diagnosed and prescribed treatments. However, there was a large gulf between prescription and performance change. Improving performance in the context of money management, health, or organizational functioning does not mean simply leaving it to the experts. It demands the active engagement of those involved and affected. As a result of this growing realization, people began claiming their power of judgment back. Just as blind trust in a physician became a thing of the past, acceptance of the advice of outside experts as gospel was no longer the norm among organizational managers. By calling the performance of experts itself into question, we were in effect forcing experts to re-assess their positions.

It slowly became apparent that the problem was more than skin deep. The inherent flaw was the paradigm itself that followed the positivist scientific tradition. Valued knowledge relied entirely on objectively observable and verifiable data, processed to permit an orderly judgment. Proponents of the paradigm blamed any inadequacy in results on the fallibility of specific data, rather than on the fundamental nature of that data and the rationale for assuming that it would be of value. In fact, the limitations were due to the research model itself, rather than incidentals in the process.

First of all, the nature of data is such that it can never be truly objective. The very selection of variables is representative of the evaluator's values and approach to knowledge. Furthermore, once selected, all variables are subject to measurement and reporting error. This is particularly true in cases where the evaluator holds power over those with a stake in the results. Covert organizational forces act to bias the data so that things appear better than they really are which is ultimately counter-productive if the purpose is to improve performance. Second, much of what accounts for organizational and individual

¹² This was taken to the extreme in Russia and many of the countries in the former Soviet Union.



performance is not readily measurable in the traditional way. The ambition and drive of a person are often of much more consequence in life than one's social standing or intelligence. An organization's will to survive and succeed is an analogous driving force.

Thus, for all of these reasons, organizational assessment rarely realized its potential. Our concurrent roles as university teachers further influenced our assessment approach. To a certain degree, we expected to engage in a teacher-learner type of relationship, as part of which we would collect and analyze specific, objective data, and then 'teach' managers about their organizations. Although this was an improvement over a compliance-based evaluation model, an artificial gap between outsiders and insiders remained. This gap became most evident during disclosure and discussion of the first draft of an evaluation report. Our traditional strategy was to allow the CEO to absorb the draft report alone for a certain period of time before initiating any joint discussion. However, experience shows that since it was 'our' evaluation of 'them', regardless of the content of the report, the procedure was highly stressful for most CEOs. Ultimately, the bottom line was that although we had some success in influencing a given organization's performance, we did not reach the full potential inherent in the project; the loose and unpredictable coupling between our work and that of the CEO did not support it.

In response to growing criticism of the positivist scientific tradition, some social scientists (Foucault, 1982) articulated a post-positivist paradigm that accepts the critical importance of values and perspective in the search for knowledge. The new approach assumes that, invariably, a certain level of interdependence exists between the subject and the object. Therefore, one would expect a closer working partnership between the two and different approaches to fostering such collaborative learning links are emerging. In the context of organizational assessment, some post-positivist research models call for a joint participatory approach to learning about an organization. Participatory approaches combine the technical expertise of the evaluator with perspectives from inside the organization. Others take it a step further and hand the responsibility for gathering information over to the organization. Such self-assessment processes teach an organization's members how to collect and analyze data by themselves, and guides them in making their own diagnosis, drawing their own conclusions, and generating their own prescriptive solutions. The Universalia/IDRC framework is applicable in both cases. However, given the evolution in research methodology, it is the framework's applicability in the case of self-assessments that is of special importance.

Putting Theory Into Practice

We have already tested the Universalia/IDRC organizational assessment framework in a wide range of organizations. It has also had an impact on the international development scene through two IDRC publications¹³. From our perspective, each application yields new insights. Recently, we have worked

¹³ Lusthaus, Anderson and Murphy (1995). Institutional Assessment: A Framework for Strengthening Organizational Capacity for IDRC's Research Partners



with organizations that are struggling to understand their own performance and the factors that affect it, by using a self-assessment approach. Specifically, five research centres undertook a self-assessment exercise that used the Universalia/IDRC framework. The context within which they used the framework and the way our involvement began were not the same for all participating centres: a) three were introduced to the framework through a workshop and used it in the context of a self-evaluation process; b) one applied the framework within a strategic planning process it was engaged in; and c) the fifth used the framework as part of an external review process. Two things were common to all five of the centres: They all drove their own self-assessment process, and used the Universalia/ IDRC model as a support tool. However, before introducing the projects, it is important to briefly describe the full sequence of the process they undertook.

The Self-Assessment Process

The self-assessment process each research center undertook included several phases: planning, identification of strategic issues, development of a workplan, data collection and analysis, and reporting. The objective of the exercise was threefold:

- to increase the strategic capacities of the research centres by allowing groups of managers inside the centres to identify the key issues and needs of the institutions;
- to generate data and findings that would serve as a basis for an external review; and
- to support an internal organizational change process.

In addition to this, the exercise provided IDRC with insights about this new approach to institutional strengthening, and offered a novel means of implementing their mandate of 'empowerment through learning'.

Planning

During the planning phase, Universalia provided all centres with background information and materials about the assessment process. In addition, Universalia conducted a needs assessment visit to each centre in order to:

- ensure a common understanding of self-assessment;
- understand the contexts of the different centres; and
- begin to develop, with each center, the main strategic issues of their institution.

Identifying the Issues

An initial diagnostic process helped participating organizations examine their main performance issues. Once the centres completed the diagnosis, they identified the causes related to performance issues, and



conducted a review of their organization's external environment, motivation factors affecting performance, and capacity factors affecting performance. This process led to the identification of key strategic issues.

Developing a Workplan

A team of managers and researchers at each centre developed a data collection workplan based on the key strategic issues they had identified. The workplan aimed to identify the best sources of data on each issue, the most appropriate data collection methodology, appropriate indicators of performance related to key questions, and a time-frame for collecting data.

Collecting and Analyzing Data

Each centre opted for very different ways of collecting and analyzing data. Universalial team members provided support during the data collection and analysis process, offering feedback, assistance and clarification as necessary.

Reporting

Participating centers agreed to write a self-assessment report at the end of the process. Universalial subsequently reviewed the reports.

Participating Organizations

Five research centers participated in the IDRC self-assessment pilot project, three are located in Africa, one is based in Bangladesh, and one in the Philippines.

Implementation

The self-assessment process was completed at four of the five participating research centers. One did not complete the self-assessment exercise. Although the organization developed a workplan, assembled a data collection team, and progressed to the stage of developing data collection instruments, the process was interrupted due to several contextual and organizational factors including a change of Executive Director.

Two successfully completed the full self-assessment exercise. Although the reporting process took longer than expected (approximately 18 months), both organizations completed a self-assessment report.

One completed the self-assessment exercise, despite a change in Director General in mid-stream, and took the process one step further by integrating it within the organization's overall strategic planning process. The self-assessment exercise continued beyond the reporting stage and culminated in a Strategic Planning Workshop at which the results of the self-assessment exercise were presented.

In one organization the exercise began at the end of a five-year plan and when a new Director was assuming leadership of the center. The data from the self-assessment helped the director identify key issues, target areas for change and formulate a new strategic plan for the center. Furthermore, the self-



assessment process is becoming an integral part of its continued management practices. The center is currently planning to undertake another self-assessment exercise, and is committed to ensuring that what is learned is used to inform the center's ongoing strategic planning and management processes.



Lessons Learned

Several lessons can be drawn from the five self-assessment exercises reviewed in this paper. A range of issues pertaining to project planning and implementation emerged and deserve attention in future projects. Apart from logistical considerations and the need for adequate tools and planning, a need for early clarification of various elements in the process emerged. Among these are roles and responsibilities, terms of reference, bases of judgment, and anticipated uses and outcomes. The need for organizational support, leadership as well readiness, willingness and openness were also factors identified as needing attention. The specific lessons learned are outlined in Exhibit 1.

Exhibit 1

ISSUES
<p>The Need To Clarify Concepts and Roles</p> <p>It is important to point out that the self-assessments were a learning process for all those involved - the research centers, IDRC and Universalis. Perhaps this is why the time frame in which they took place emerged as longer than expected, in that there may have been a reluctance, or even inability, on the part of the organizations to progress more quickly.</p> <p>From this perspective, it may be necessary to define 'self-assessment' as a 'learning process' right at the beginning, and to negotiate the extent to which artificial demands have a place within it. For instance, although the logistics of project execution and the desire to save resources may require certain schedules, the imposition of an external time-frame may be inappropriate. As is often the case, practical considerations from a funding agency's point of view are not necessarily in sync with the actual process at hand on site.</p> <p>Furthermore, the role of the funding agency within a 'learning process' needs to be examined. The involvement of the funding agency in the self-assessment process can be perceived as either a threat to future financial security, or a source of support or partner in the process. However, for such a partnership role to take precedence, sufficient time for a trust building process must be accommodated within the time-frame chosen for the project. In some cases, the extent to which the funding agency should request to see an organization's self-assessment report should be called into question. If organizations do not fully understand that the self-assessment process is a learning exercise, they may be reluctant to share their reports for fear that they might be used to influence future funding decisions.</p> <p>The Importance of Organizational Readiness</p> <p>Before beginning the process of self-assessment, one needs to examine if the organization is ready for it. Cultural readiness is reflected by the degree to which an organization and its members are willing to disclose information, and to see disclosure as an opportunity for learning rather than as a threat. In some cases, participants were somewhat anxious about revealing personal information to a large audience. As a case in point, when given a choice between a one hour focus group that would bring all participants together, one organization opted for individual ten-minute meetings instead. A corollary to this notion is the degree to which an organization is ready to see information as useful for self-improvement and willing to act on it. Clearly, a strong desire to improve, even at the risk of disturbing the status-quo within the organization can be an invaluable catalyst for change.</p> <p>Thus, self-assessment requires a climate of trust, participatory management, and a desire to improve. Organizations in which the management leadership styles are most transparent and open appeared to benefit most from a self-assessment exercise.</p> <p>Based on the evidence from these cases, it is clear that in the organizations that had an open and positive attitude to the self-assessment process, the results yielded better insights about the current situation and apparent trends. The benefits to some organizations may have been reduced due to the lack of a participatory management style, and teams that were not kept informed about the process or invited to participate in brainstorming activities and decision taking.</p> <p>A third issue of readiness concerns the resources of an organization, both human and financial. Self-assessment requires strategic thinking skills, as well as capacities for data collection, strong analysis, and visioning. In addition to skills, an organization also needs the financial resources to support self-assessment - the will and the skills alone are not enough to support this time-consuming process.</p> <p>The willingness to change as the result of a self-assessment process is another sign of an organization's readiness. Until an organization and its members see the benefits of change and are motivated to change, it is unlikely that the process of self-assessment will have any lasting effect.</p> <p>The Need for a Champion</p> <p>Because motivation and commitment are key factors in the self-assessment process, it requires one or more individuals within the organization who are able to see the benefits of the process and to motivate others to become engaged. The project leaders in some cases played such a role, to the benefit of their organizations. In others, this was not the case and we were in fact confronted with an interesting paradox. Although the center's executive director became the champion of the self-assessment process, he saw this as a personal opportunity for himself and a select group of managers to take charge and 'tell the institutional story.' - their version of it that is.</p>



ISSUES

Given that the involvement and participation of a wide range of stakeholders is a critical part of the self-assessment process, this is not the type of champion that was needed.

The Need to Clarify "Performance"

Some of the organizations questioned our framework for organizational performance - effectiveness, efficiency, and relevance - as opposed to program performance. They considered these as distinctly North American notions and wondered if they were transferable to regions where organizational performance might be defined by other criteria. The organization expressed a concern that the performance values expressed by the funding agency differed from their own. Clearly we need to devote more time and effort to helping organizations understand and define their specific performance criteria.

The Need for Practical Tools

The centres we worked with understood the framework but experienced difficulty in implementing it — in transferring their understanding of the concept to the actual process of data collection. In particular, the organizations had difficulty in distinguishing the difference between the data collection and analysis methods demanded by a research project, and those required in the context of a self-evaluation process. In some centers, junior team members had previously been involved exclusively in research projects and undertook in-depth data analyses which went beyond the scope needed for a self-evaluation.

Furthermore, self-assessment teams need a series of practical step-by-step tools to help them structure their data collection plan, collect the information they need, and to analyze it. At the time the projects were being implemented, such tools were not available. However, IDRC and Universalis now have a practical tool kit that can be used in further self-evaluations.

The Need to Clarify Basis of Judgement

As we attempted to help organizations assess their effectiveness, efficiency and relevance, it became harder to agree on a clear definition of these terms. All three centers need to develop both standards and benchmarks that would help them better understand when they are successful. If, for example, an organization meets 50% of its goals, is this 'effective'? If 70% of stakeholders say that the organization is meeting their needs, is the organization 'relevant'?

The Need for Deadlines and Support to Meet Them

In order for the self-assessment process to work, it appears that organizations need to be accountable to both their funders and their own leadership for completing the process. This may require specific deadlines as well as support to complete the process. In some cases, the self-assessment process fell significantly behind schedule. Aside from unwillingness to complete the process, perhaps the relatively small amount of pressure that was put on the organization to finish the self-assessment also played a part.

The level and the nature of the support requested in the self-assessment process varied from one organization to another: some requested more support at the brainstorming stage - they wanted more information before making a decision. Others requested more technical and financial support, and tools and instruments to guide their planning process. While some made no requests for support. As facilitators, we needed to accommodate the individual processes and develop coaching methods that suited their needs.

It is worth noting that while IDRC has field offices, the level of support they provide during a self-assessment venture may vary. Where it was minimal, the organization tended to request assistance from the central office in Ottawa. In the future, the process would benefit if IDRC's field offices were to play a more strategic role in the support of projects in course, the provision of tools when requested, and overall monitoring assistance.

The Importance of Identifying the Audience

Early in the process, it is important to clarify the purpose of the self-assessment exercise and to identify the future users and readers of the report. This can reduce the level of stress and ambiguity associated with the process. In the cases reviewed, the self-assessment reports will be used differently in each centre.

In some cases, the report was viewed as a marketing and promotional document, and the organization was hesitant to address some of the strategic issues with all the required transparency. The self-assessment report was perceived as a 'business plan' that would support requests for future funding. A reluctance to include anything in the report that might harm a future relationship with funders was not uncommon. If the purpose and audience for the reports were clarified earlier, these organizations might have been less hesitant and the process could have been expedited.

The need to differentiate the self-assessment from normal supervising activities of IDRC.

Earlier, we identified the need to clarify roles and responsibilities. Clearly this will always be an area of contention in a funding relationship; nevertheless the distinction needs to be made. However, clarifying roles and having people "act" in appropriate ways are often different things.

Within the self-assessment this issue emerged between a field office of IDRC and one of the organizations. In a normal "project" supervisory visit, staff from IDRC took a "critical stance" when reading a draft self-assessment document. It is important to clarify if such a stance is appropriate.

In discussion with IDRC and the institution it is important for all to realize that the "self-assessment" document is a tool for the institution. In the context of the self-assessment IDRC's opinion or anyone else's opinion is immaterial to the organization, unless requested. In this case, the "critical stance" was viewed as an intrusion into an internal self-assessment process that compromised IDRC's credibility and the credibility of the project.



Conclusion and Avenues for Further Development

Our experience with organizational self-assessment has prompted us to engage in further reflection on the concept. What are the salient characteristics of effective self-assessment in organizations? It is not simply a question of organizations participating in their own diagnosis. It relates fundamentally to an organization learning about itself and owning the learning process.

The key in this respect is the ability of an organization to develop credible information about itself and for the organizational leaders to engage in a process with staff about how to use the information for renewal. Organizational self-assessment is another tool in an organizations arsenal for improvement. How it uses, or in one case does not use, this tool tells a lot about the organization.

This experience demonstrated the adaptability of the self-assessment framework. There is ample room for further exploration in this area, especially in terms of increasing the synergy between assessment and planning, and strengthening 'organizational learning'.

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MAXIMIZING THE BENEFITS OF SELF-ASSESSMENT: TOOLS AND TIPS

Terry Smutylo, Charles Lusthaus

Introduction

Background

Since being founded in 1970, IDRC has funded research aimed at solving development problems in the world's poorest regions. Driven by the conviction that sustainable development is possible only when people can create, access and use the knowledge necessary for their own well-being, IDRC has made strengthening the research capacity of individuals and institutions central to its approach.

Capacity-building for individual researchers is relatively straightforward. Like many agencies, IDRC has used training, collaboration with other researchers and research project funding with considerable success. By comparison, it is much less clear on how to build capacity within institutions and organizations. However, progress is being made. This paper presents some of what we have learned about helping research institutions become more effective and viable in working with IDRC and its partners over the past 10 years.

In the mid-eighties IDRC began refocusing its corporate strategy to redress the shortcoming of project funding as a mechanism for institutional strengthening. Recognizing that funding single research projects often leaves crucial gaps in an institution's research capacity, the Centre began experimenting with broader based, more integrated support targeted at key institutional needs.¹⁴ This resulted in a period of experimentation with various approaches. The issue became a concern of IDRC's Evaluation Unit when the time came to assess and draw lessons from these experiments.

The first problem was how to define organizational capacity in order to know where to look to assess the results of an intervention. In surveying the available approaches, IDRC found nothing comprehensive, yet practical enough for its purpose. In Universalia Management Group, a Canadian management consulting firm, IDRC found an intellectual partner with field experience in this area and interested in working to develop a suitable, action-oriented conceptual framework. The result; in 1995, IDRC published *Institutional Assessment: A Framework for Strengthening Organizational Capacity* for IDRC's Research Partners. This was followed by *Évaluation Institutionnelle*, the French version, in 1996. These books present an approach based on the thesis that an organization's performance (in terms of efficiency, effectiveness, relevance and financial viability) is the observable expression of its functioning

¹⁴ The milestone for this recognition is the shift in policy based on approval of the recommendations in the discussion paper: *Approaches to Strengthening Research Institutions* (October, 1997) Office of Planning and Evaluation, IDRC.



on three dimensions: capacity (leadership, management, human resources); motivation (mission, culture, incentives); and environment (legal, social, technical). Performance, then, is the result of the way an organization uses its capacities, maintains motivation and relates to its environment.¹⁵

We field-tested the framework with five of IDRC's partners in West Africa and South Asia to find out whether it could: help diagnose organizational strengths and weaknesses; guide the formulation of a capacity-building response; and assist in assessing the outcome of an intervention.¹⁶ The partners responded positively to the framework and contributed their own ideas about how it might be refined and used. Concurrently, IDRC's Evaluation Unit was consulting Southern research and development managers on how to use evaluation more effectively to enhance organization performance.

Three strong messages emerged from this work. First, recipient organizations seldom get the opportunity to assess themselves. Thus they gain very limited experience with and benefits from donor-imposed assessments. Second, recipient organizations want to control and actively participate in assessments. Third, sensitivity to an organization's preparedness for, and the timeliness of an assessment is crucial to its outcome.

In response, IDRC and Universalialia collaborated further to produce another book, *Enhancing Organizational Performance: A Toolbox for Self-Assessment*. This is a self-assessment guide with tools and techniques which can be adapted and used severally or together. It is aimed at empowering organizations to improve their performance, sustain their programs and provide the basis for more effective partnerships. In this paper, we present an overview of the tools presented in the book, followed by ten guiding principles to get the best results when applying them. These principles are derived from our field tests, our experience with project and program assessment and from our consultations on the evaluation process with Southern development organizations. We are very much in a learning mode in this work and would welcome feedback on all the ideas presented.

Why Self-Assessment?

IDRC's experience with evaluation and institutional assessment corroborates many of the claims by the proponents of participatory approaches in development. For example, Southern research managers at two recent workshops, one in East Africa, the other in South Asia, forcefully emphasized to donors the advantages of involving recipient institutions in assessments of their own performance. They felt their own information needs were being ignored and that they were being assessed against an unknown set of performance criteria. Whereas, project –centered evaluations tend to fragment and undermine institutional learning and change¹⁷, full participation gives the organization useful experience with the process and ownership of the results. This can:

¹⁵ For more background to the development of the framework see: *Giving the Evaluation Away: Challenges in a Learning-Based Approach to Institutional Assessment*, Fred Carden, IDRC (1997)

¹⁶ Lusthaus et al, *Organizational Assessment: Evolving Concepts, Methods and Practice*, Universalialia, (1998)

¹⁷ *Revisiting Evaluation: A Study of the Process, Role and Contribution of Donor Funded Evaluations to Development Organizations*, Evaluation Unit, Manjul Bajaj, IDRC (1997)



- achieve a better balance between organizational and project performance concerns;
- increase the organization's capacity and disposition to use assessment as a management tool in the future;
- increase the likelihood that the findings/recommendations are realistic and formulated in accord with the organization's internal culture and overall goals, strategy and policies;
- maximize organizational learning; and
- use the resources available for assessment more effectively.

The desire to be an active rather than a passive partner showed up early and clearly in our institutional and organizational assessment (IOA) field tests. It is inconceivable that an organization would be comfortable to sit passively while an external team carries out an assessment in which it and its clients are the primary stakeholders. In such a case, from the organization's perspective, ownership would be misplaced. By definition, stakeholders are involved and if provision is not made for active and productive participation, the involvement can become covert and defensive. On the other hand, we also found that an exclusively internal assessment risks having lower external credibility and may suffer from the lack of fresh independent perspectives. The ideal therefore, is a combination approach involving both internal and external people on the assessment team. We have therefore created a set of tools that can be applied with varying proportions of internal and external involvement depending on the circumstances. In practice, the tools are designed to facilitate negotiation and management of an assessment process with the appropriate balance in joint ownership.

The Toolbox

The main elements of the tools presented in the book are described in this section.

Whether and Why

The first part of the toolbox guides an organization through deciding whether or not to conduct a self-assessment. Exercises help clarify the purpose and the main clients and also to determine whether the attitudes and conditions within the organization would support and benefit from an assessment. If the decision is taken to proceed, the information gathered and synthesized with these exercises helps in designing and managing the process. Sometimes, an organization is not willing to conduct a full-scale assessment, but decides to conduct a smaller, problem-based exercise focusing on a specific area or situation. There is help here for designing the appropriate exercise in such cases. Guidance is also





offered on stakeholder analysis (“Mapping the Stakeholders”), and on team formation and team building to assist in defining the roles and responsibilities for the various players in the self-assessment.

Finding the Focus

Identifying the issues on which the self-assessment will focus is the key step in planning it. Part II of the book guides the self-assessment team through: diagnosing the organizational issues – building on the identified purpose of the self-assessment; identifying the indicators and information sources for each issue; and developing the instruments for collecting and analyzing the relevant information.

Dealing with Data

Part III of the book is a guide to collecting and analyzing the data, and to verifying and communicating the results.

Making Findings Meaningful

The conceptual framework underlying this approach is used to clarify important issues, guide the collection of data, and organize the findings so they say something useful about organizational performance

Source: A Guide to Organizational Self-Assessment. Lusthaus, Charles et.al., Universalis / IDRC; DRAFT, January 1998.

Guiding Principles for Organizational Analysis

Applying the tools and techniques outlined above helps create a learning exercise tailored specifically to the circumstances and inclinations of the organizations at the time of the assessment. In tailoring the process to an organization’s needs, some of these tools may be judged inappropriate and others may have to be radically changed to fit the situation. We would encourage organizations and their assessment teams to be creative. Seek out ideas, tools and techniques from other sources and create or adapt what is needed yourselves.

While we enthusiastically encourage innovation and selectivity, our experience suggests that, whatever assessment techniques are applied, there are some aspects of the process, which are crucial to success. These must be considered thoroughly and the appropriate actions taken. These considerations are presented as “guiding principles” in this section. Other people experimenting with institutional strengthening may consider different issues important. We would like to hear about these experiences and would welcome a dialogue with those working on the topic using our or other approaches.

Each of the 10 guiding principles is relevant, to a greater or lesser degree, at particular stages of an organizational analysis. Nonetheless, they all merit consideration. The following figure summarizes the main considerations at each stage.



10 Guiding Principles of Organizational Self-Assessment

	DESIGN/PREPARATION (PRE)	ASSESSMENT (INTRA)	IMPLEMENTATION (POST)
1. Clarify the Purpose	Who will use it? How? Why?	Reassess Relevance	Presentation of results supports purpose & targets users
2. Use a Conceptual Framework	Structure questions, organizes data collection & analysis, integrates findings	Framework applied through data collection instruments	Helps learning & clarifies the relationship among findings
3. Be clear about process & method	Need to have a definite shape and be understood by all	Data collection process and instruments must be credible, understandable, & friendly to stakeholders	Findings considered valid & reliable
4. Organizational Readiness	Determine realistic scale & focus. Take special needs into account	Able to resolve problems and/or increase receptivity & participation	Target levels of organization ready & best able to integrate findings
5. Mapping the Stakeholders	Ensures ownership & input from appropriate levels of organization	Feedback loops to ensure comfort & participation of stakeholders	Verify results & recommendations
6. Credible Facilitation	Fair, impartial and possesses necessary skills to conduct the assessment	Can mediate & motivate participants, facilitate receptivity, respond to early problems	Facilitates action planning for implementing the results
7. Be Rigorous	Verify quality of design, methods, & process	Quality control of data analysis & interpretation	Verify findings with stakeholders
8. Target Findings	Reporting modes tailored to users & environment	Reporting early in process	Accepted & verified gradually therefore move directly to action planning
9. Check the Costs Against Benefits	Ensure effort required justifies benefits	Keep costs within budget	Link costs to benefits & learn for next time
10. Put Ethics First	Make process as clear as possible to stakeholders	Monitor, maintain & increase transparency	Make assumptions & agendas explicit

Our experience shows that all ten principles could be important at any of the three main stages in the institutional self-assessment process: during design or preparation (pre); during the assessment itself (intra); and as the results are being disseminated and implemented (post). Depending on the stage, applying these principles may require the attention of different players. In the following section we will outline some of the ways each principle can be applied at the pre-, intra- and post- stages of self-assessment.

Guiding Principles

Clarify the Purpose

When beginning an assessment, an essential first step is to clarify who will use it, how and for what purpose. This will provide reference points throughout the process against which to check progress. At the preparation stage, being clear on the purpose will help design an exercise that is aimed at the correct issues, has the appropriate scale and scope, and is supported by the interested stakeholders. During the assessment, being able to refer back to a clear statement of purpose and consultation with the eventual users will enable the team to monitor the ongoing relevance of the exercise. A periodic reassessment answers the question: “Is this self-assessment giving us what we need?” The necessary adjustments can then be made to keep the progress on track or to develop new lines of inquiry.



At the reporting and implementation stage, being clear on the purpose of the self-assessment will help you ensure that the results are presented so that they support the purpose and target the users. Often the findings can be presented as an “action plan”, based on the relevant findings, and aimed at influencing certain players to work towards the desired changes.

Use a Conceptual Framework

At the design stage, organizations generally have no trouble generating lists of the issues and questions they would like to address. Towards the end of the assessment, the challenge is to make sense of all the data that has been collected on the issues identified as major concerns. Using a conceptual framework helps structure questions, organize data collection and analysis, and integrate findings. It helps the assessment team see the findings on various dimensions of their organization in relation to each other. The language of the framework helps the various stakeholders and team members reach a common perspective on the assessment. Achieving a consensual interpretation of the results ultimately, helps learning. A framework illuminates the synergies among the factors in an organization’s capacity, thereby clarifying the relationship among the findings. It helps foster a systems perspective, which allows the users of the assessment to develop an understanding of the interrelated influences on their organization’s performance. During the assessment process, the framework is applied through the data collection instruments. Its usefulness is thereby tested and there are opportunities for revisions.

Be Clear about Process and Method

Implicit in much of the foregoing is the fact that an organizational assessment can take on numerous forms. Just saying the words does not immediately conjure up a set piece activity, as do the words “audit” or “evaluation”. The organizational assessment will take whatever form the organization decides it will take. Consequently, once it is designed and the various features crystallize, it is extremely important to let all stakeholders know what to expect and to keep them informed as the process continues. The process and methods to be used need to have a definite shape and be understood by all. Stakeholders find comfort in seeing that the instruments, indicators and information sources are driven by the purpose and that the findings will be structured according to the conceptual approach. During the assessment, it is important that the stakeholder-informants find the data collection process and instruments credible understandable and friendly. Technical verification of the process and methods by an arms-length expert could help increase comfort and credibility so that, when reported, the findings are considered valid and reliable.

Organizational Readiness

In determining whether and how to proceed, consider how the assessment fits within the current state of the organization. Recent history and anticipated events affect staff willingness to raise certain issues or engage in certain processes.



Carefully observing and listening to the indicators of an organization's readiness, the team can take special needs and sensitivities into account and decide on realistic scale and focus for the assessment. During the process, the team that stays attentive to reactions in the organization is in a position to iron out problems or to increase receptivity and participation when and where required. This will enable the results and recommendations to be packaged for release with different audiences in mind. It may be possible and desirable to target certain messages at the units or levels of the organization ready or best able to integrate them.

Mapping the Stakeholders

Knowing the interests of the users/clients for the assessment as well as who else will be interested or affected is important for managing the assessment. It allows the team to ensure ownership and input from the appropriate quarters in the organization. Ownership and support from different quarters is crucial at particular stages. At the outset, strong endorsement and championing by senior management implies organizational commitment. Both of which are important during the assessment. And again, at the conclusion, buy-in from the senior levels is absolutely essential to the utilization of the findings. Knowing the stakeholders well also provides the map on which can be plotted the feedback loops necessary to ensure their comfort or active participation as and when required. It is also very helpful to verify results and recommendations among those with the relevant knowledge or responsibility early and often. This can greatly improve the quality of interpretation of the findings and increase the likelihood of implementation

Credible Facilitation

A facilitator/evaluator can add great value to the assessment process. The evaluator/facilitator(s) need to be credible and hold the confidence of all participants. Credibility will be determined by skill, experience, and impartiality. Given the specialized and potentially sensitive nature of organizational self-assessment, it is usually difficult to find someone with these characteristics within the organization for this role. An external person with the appropriate technical skills and broader experience may also be easier to accept as impartial and may bring fresh perspectives to the exercise. A disinterested party: can help mediate among participants if necessary; may be able to motivate people to higher levels of participation; and can enhance the credibility of the assessment by contributing to or auditing its design and implementation. It is important that, in addition to being seen as fair and impartial, the facilitator also clearly possess skills appropriate to the purpose of the assessment. Drawing on experience gained in other settings, the facilitator can augment receptivity across the organization and can help spot problems early and suggest adjustments to the process if necessary. This role also needs the expertise in analyzing data and, ideally, in action planning for implementing the results.



Be Rigorous

Having designed a process and methods consistent with the clearly-defined purpose; having established buy-in across the organization; and having secured the participation of ethical, credible evaluators; the exercise needs to be pursued with rigor. Stakes can be high in changing an organization. Using the technical expertise available to it, the assessment team monitors the design, methods and outputs throughout the process. Quality control to maintain the reliability of the data analysis and interpretation ensures that both the spirit behind the assessment and the methods chosen for its overall design are adhered to. At the analysis and reporting stages willingness to rigorously verify the findings with stakeholders strengthens the basis on which the recommended actions are built.

Target the Findings

The modes selected for reporting and disseminating the results need to be tailored to the users and relevant to the organizational environment. Reporting starts early in the assessment process in order to verify accuracy, to increase the volume of the data and to establish a reporting pattern, which is comfortable and effective for stakeholders. Depending on the feedback, adjustments can then be made to the way the data is packaged and/or the modes of reporting. Gradually building up knowledge across the organization about the assessment's findings means that they can be verified and gradually understood and accepted. In the final reporting, you can then move directly into action planning because the stage has been set for the team to move stakeholders to respond to the finding by committing to scheduling actions.

Check Costs against Benefits

At the outset, part of the “go/no go” decision depends on whether the level of effort required for self-assessment is justified by the expected benefits. The financial and human resource costs include, not only fees for consultants and the time of team members, but also time for the staff involvement throughout the organization. This is another area to be monitored by the assessment team: keeping costs within the budgeted limits. Shortly after the conclusion of the exercise, it is useful to tally the accounts. Linking all costs to the benefits realized (and anticipated in future) enables the team and the organization to learn for next time. Was the level of effort within the expected limits? How could the assessment be more effective and efficient? Overall, was the effort worth it?

Put Ethics First

Evaluation in any form, including organizational assessment, is often viewed with suspicion. A common expectation is that the exercise will be used secretly or injuriously; perhaps to justify a cut in staff, a reduction in funding, or for some other unpleasantness. Such misgivings undermine an assessment by making participation and the collected data incomplete or unreliable. It is important, therefore, that all stakeholders have effective input into the assessment and that the information gathered is used with due regard and sensitivity to issues such as confidentiality, fairness, misrepresentation and misuse. A key to participant confidence is a transparent process, which, as it proceeds, makes it clear that the stated purposes are really what is driving it.



Realistically, it is often not possible to know or articulate all the underlying purposes and intentions of the main players. Therefore, it is important that the team makes efforts throughout the process to stay au courant of purposes or agendas emerging as things proceed. Total transparency may not be achievable – but efforts should be undertaken to make all issues as clear as possible to all stakeholders. An organizational self-assessment requires a high level of transparency, which should be maintained and increased during the exercise. At the final stages in which results and responses are being formulated and verified among stakeholders, hidden agendas or implicit assumptions may become clear. These should be made explicit so that they can be discussed, challenged and reconciled with data and the expectations of the participants. Consensus on the major assumptions is essential if the results of the assessment are to be credible, and the appropriate responses initiated.

Conclusions

This paper has focused on how an organization can discover what to do to improve its ability to fulfill its mission and objectives. The process is more like a check-up to see what, if anything, needs fixing rather than a prescription for how to fix it. Self-assessment adds pieces to the picture available for strategic management through a process, which creates a shared vision and motivation among the players important to an organization's performance to engage in understanding and improving it. This paper implies that, in order to maximize the benefits of organizational self-assessment, we need two things. First, we need to ensure that the results are used; and second, we need to build on and share learning experiences with others.

With respect to ensuring use, the key is found in securing the ongoing commitment to this as a learning and change process – both within and external to the organization. The principles are intended to guide us in that direction. Buy-in for a clearly-defined purpose; a credible process that stays focused on the relevant issues; and findings that are universally understood and which are meaningful and practical to their users throughout the organization – all of these will drive toward the findings being picked up and applied.

The second part of maximizing the benefits from self-assessment lies in building a body of knowledge about how to do and use it. It lies in extending the benefits beyond the individual organizations with which we work, to make our experience accessible, to be shared and built on by others. We offer the ideas in this paper based on our experience with IDRC and its partner institutions in the hope that others will report on the outcomes of their own efforts. The resulting synergies and learning will deepen understanding in this field and expand the number of organizations that can learn from it.